

17th Annual Report (2010-2011)



 **CEREBRA**
Total I.T. Solutions
An ISO 9001:2008 Company
www.cerebracomputers.com

Cerebra Intergrated Technologies Limited

Annual Report 2010-2011

BOARD OF DIRECTORS

V. Ranganathan	- <i>Managing Director</i>
Gururaja K. Upadhyay	- <i>Director Technical</i>
Shridhar S. Hegde	- <i>Whole-time Director</i>
P. Vishwamurthy	- <i>Whole-time Director</i>
T. S. Suresh Kumar	- <i>Director</i>
P. E. Krishnan	- <i>Director</i>
S. Gopalakrishnan	- <i>Director</i>

REGISTERED OFFICE, FACTORY AND WORKSTATION

S-5, Off 3rd Cross, I Stage,
Peenya Industrial Area,
Bangalore - 560 058
Tel: 91 - 80 - 28370282 / 84
Fax: 91 - 80 - 28372609
Web: www.cerebracomputers.com
Email: info@cerebracomputers.com

CORPORATE OFFICE AND ITES FACILITIES

26/4, 'A' Block, 2nd Floor
Industrial Suburb, Rajajinagar
Bangalore - 560 010

STATUTORY AUDITORS

Messrs Ishwar & Gopal
Chartered Accountants
Sri Vinayaka Motor Service Building
No, 21/3. T.S.P. Road Kalasipalyam,
Bangalore – 560 002

BANKERS

Bank of India
Syndicate Bank

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.
Plot No 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Fax - 040-23420814
Phone : 040 - 44655185

ENLISTMENTS

Bombay Stock Exchange Limited (BSE)
Bangalore Stock Exchange

DEPOSITORYES

National Securities Depository Limited
Central Depository Services Limited

THE NEW CEREBRA

Dear Stakeholder,

It is that time of the year again when we have the wonderful opportunity to meet up with many of you and update you on the developments in your Company. This time it is with lot of anticipation and excitement that I seek to do this since your Company has significantly changed. We are now a truly global and a true IT company with operations in Hardware, Software, KPO and BPO and of course, E waste. As you read through this report, you will understand that a new Cerebra is now growing stronger and profitable. We will soon be able to declare dividends since we hope to wipe out all our accumulated losses this year.

We are proud to announce that your Company achieved a top line of Rs. 8379.81 lakhs and a bottom line of Rs.194.57 lakhs. This was possible mainly due to the confidence reposed in the management by all of you.

We have an experienced team at the helm of each division and who are all fully committed and self driven to take Cerebra to greater and dizzy heights.

We have identified inorganic growth as a strategy to grow provided it is in synergy with our existing operations. Confirming to that, we have acquired majority stake in Geeta Electronics an IT distributor who has been in business for the last 35 years. Headed by the dynamic and experienced Mr.Ashok Chhabria this will work in tandem with our existing operations and also with our new subsidiary in Dubai.

We have now started a subsidiary in Dubai called Cerebra Middle East FZCo headed by Mr.Asit Ahuja who was associated with Cerebra earlier as the head of Mumbai region. He has been in Dubai for the last 5 years and has contributed a topline of 40 M USD in his previous employment. He is now the head of Cerebra ME and has a good team. We can look forward to some encouraging results from Dubai in the years to come.

Our own domestic ESD division is headed by Mr. Phalguni and he has a good, dynamic and experienced team to handle the domestic market. He will also work well with Cerebra ME and Geeta Monitors in which we acquired majority stake, to maximise our profits and revenues.

Our E-waste business has started. It is an exciting, eco friendly business and in the current environment it is something that the country and the world require badly. The main factory is coming up in Narsapura (a place near Kolar) on a 12 acre plot and should be ready by the middle of the year. This plant will be supposedly the largest in the country and with the support of Cimelia, Singapore with whom we have very strong ties it should soon be processing around 90k tons of E waste.

On the ITES front we have now setup an office in New York to handle our LPO business headed by Mr.David Kinnear a highly respected and experienced professional. Our software division is working on Mobile Applications is headed by Mr. Sudhakar S V along with Mr. Pavan Panchamukhi has a good strong revenue projections. This will soon become a strong pillar on which Cerebra will rest comfortably and grow to new heights since the foundation is very strong.

Your Company's Directors are fully committed to take Cerebra to the next level in the coming years and very soon you will see your Company being very visible, robust and dynamic in the IT space with more acquisitions, solid organic growth and become truly a global company.

I take this opportunity to thank all the shareholders, vendors, partners, bankers and the Govt of Karnataka for their support and encouragement without which it would have become impossible to achieve and grow.

Thanking you,

Yours Sincerely,
V. Ranganathan
Managing Director



Delegates at the E-Waste Recycling Conference in Bengaluru

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Regd Off. #S-5, Off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Company will be held at 11.00 a.m. on Saturday, the 17th December, 2011 at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at September 30, 2011 and the Profit and Loss Account for the year ended on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shridhar S. Hegde, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. Vishwamurthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messrs Ishwar & Gopal, Chartered Accountants, to hold the Office of Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from the existing Rs 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- each to Rs. 50,20,00,000/- (Rupees Fifty Crores Twenty Lakhs) divided into 5,02,00,000 (Five Crores Two Lakhs) Equity Shares of Rs.10/- each by creation of additional 2,00,000 (Two Lakhs) Equity Shares of Rs.10/- each ranking *pari passu* with the existing Equity Shares.”

6. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act 1956, the Memorandum of Association be and is hereby altered in the following manner:

By deleting the existing Clause V and by substituting the following new Clause V as under:

V. The Authorised Share Capital of the Company is Rs. 50,20,00,000/- (Rupees Fifty Crores Twenty Lakhs) divided into 5,02,00,000 (Five Crores Two Lakhs) Equity Shares of Rs.10/- each.”

7. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act 1956, the Articles of Association be and are hereby altered in the following manner:

By deleting the existing Article 3 and by substituting the following new Article 3 as under:

3. The Authorised Share Capital of the company is Rs. 50,20,00,000/- (Rupees Fifty Crores Twenty Lakhs) divided into 5,02,00,000 (Five Crores Two Lakhs) Equity Shares of Rs.10/- each.”

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8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ("the Act", including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the applicable provisions of Foreign Exchange Management Act, 1999 (the "FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the "FEMA Regulations") the guidelines and clarifications issued by the Government of India ("GOI"), Securities and Exchange Board of India (the "SEBI") including Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") and enabling provisions of the Articles of Association of the Company, the Listing Agreements entered into between the Company and the Bombay Stock Exchange and the other Exchanges (collectively the "Stock Exchanges"), and subject to all such approvals, permissions, consents and sanctions of any authorities, as may be necessary, including the approval of the Foreign Investment Promotion Board (the "FIPB"), Reserve Bank of India (the "RBI"), SEBI or any other relevant authority, from time to time, or approval from banks, financial institutions or other lenders of the Company, and subject to such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions and as agreed to, by the Board of Directors of the Company (the "Board", which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 288172 Warrants on a preferential basis to certain strategic investors (hereinafter referred to as the "Warrants") with each Warrant convertible into one Equity Share of the Company of nominal value of Rs.10/- each at a premium of Rs.36.50/- per Share so that the total number of Equity Shares to be issued by the Company upon conversion of the Warrants does not exceed 288172 Equity Shares, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized Committee thereof) at the time of issue or allotment:

SI No	Names of the proposed allottee	No. of Warrants
1	Bennett, Coleman & Co. Ltd	288172
	Total	288172

RESOLVED FURTHER THAT the "Relevant Date" in relation to the issue of Warrants in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be 17.11.2011 being the date 30 days prior to the date of passing of this resolution.

RESOLVED FURTHER THAT the aforementioned issue of Warrants shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the sole option of the Warrant holders) at any time within a period of 18 months from the date of allotment of Warrants.
2. Each Warrant shall be convertible into one Equity Share of nominal value of Rs.10/- each of the Company.
3. The Warrant holder(s) shall, on the date of allotment of Warrants, pay an amount equivalent to 25% of the total consideration per Warrant viz., Rs 11.63 per Warrant, each Warrant priced at Rs 46.50.

4. The Warrant holder(s) shall, before the date of conversion of the Warrants into Equity Shares, pay the balance 75% viz., Rs.34.87 per Warrant, of the balance consideration towards the subscription to each Equity Shares.
5. The amount referred to in (3) above shall be forfeited, if the option to convert in to the Shares is not exercised subject however to the enabling powers being vested in the Board herein.
6. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI Guidelines, for corporate actions such as bonus issue, right issue, stock split, merger, de-merger, transfer of undertaking, sale of division or any such Capital or corporate restructuring.
7. The Equity Shares shall be under lock in for a period of one year and the lock in date commences from the date of conversion of Warrants into Equity Shares.
8. In the event of the Warrant holder not subscribing to all or any of the Equity Shares relatable to the Warrants within the stipulated period viz., 18 months from the date of allotment of the Warrants, the Board shall, in its absolute discretion, offer such Shares to any other person(s) subject to the prevailing guidelines and in case such offer is declined by such person(s) or the Equity Shares are not subscribed to, within the stipulated period, such Shares shall lapse.

RESOLVED FURTHER THAT the Board of Directors be authorised to deal with any issue arising out of the proposed issue including powers to dispose off the Warrants not exercised in any manner whatsoever if the same be in the best interest of the Company".

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in continuation of the approval accorded at the Extra Ordinary General Meeting held on 04.06.2010 for further issue of Equity Shares on preferential basis, approval be and is hereby accorded for the following:

- a. To treat Scenic Overseas (S) PTE. Ltd, Singapore under Non-Promoter category.
- b. To treat Leytron Technology Pte. Ltd., Singapore under Non-Promoter category.
- c. To treat Cimelia Resource Recovery Pte Ltd., Singapore under Non-Promoter category.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do any act or deed, file any document or application or memorandum before any authority to give effect to the above decision."

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, as amended and subject to such permissions, consents and approvals, if any, from Central Government and subject to such conditions, if any, that may be imposed by the Central Government while granting their consents, permissions and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords approval to the appointment of Mr. V Ranganathan, as Managing Director of the Company from 1st January, 2012 on the terms and conditions as to remuneration by way of salary and perquisites as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to increase the remuneration and/or perquisites of Mr. V Ranganathan, in its absolute discretion within such guidelines or ceilings of Schedule XIII or other applicable provisions of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event where in any financial year during the currency of his appointment, the Company has no profit or its profits are inadequate, it may pay remuneration to Managing Director the total of which shall not exceed the ceiling limits as provided in Schedule XIII of the Act, or such other amount as may be specified by the Government from time to time by any amendment to the Act.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, as amended and subject to such permissions, consents and approvals, if any, from Central Government and subject to such conditions, if any, that may be imposed by the Central Government while granting their consents, permissions and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords approval to the appointment of Mr. Gururaja K Upadhyा as Director-Technical of the Company from 1st January, 2012 on the terms and conditions as to remuneration by way of salary and perquisites as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to increase the remuneration and/or perquisites of Mr. Gururaja K Upadhyा, in its absolute discretion within such guidelines or ceilings of Schedule XIII or other applicable provisions of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event where in any financial year during the currency of his appointment, the Company has no profit or its profits are inadequate, it may pay remuneration to Director-Technical the total of which shall not exceed the ceiling limits as provided in Schedule XIII of the Act, or such other amount as may be specified by the Government from time to time by any amendment to the Act.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, as amended and subject to such permissions, consents and approvals, if any, from Central Government and subject to such conditions, if any, that may be imposed by the Central Government while granting their consents, permissions and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords approval to the appointment of Mr. P. Vishwamurthy as Whole-time Director in charge of ITES Business of the Company from 1st January, 2012 on the terms and conditions as to remuneration by way of salary and perquisites as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to increase the remuneration and/or perquisites of Mr. P. Vishwamurthy, in its absolute discretion within such guidelines or ceilings of Schedule XIII or other applicable provisions of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event where in any financial year during the currency of his appointment, the Company has no profit or its profits are inadequate, it may pay remuneration to Whole-time Director the total of

which shall not exceed the ceiling limits as provided in Schedule XIII of the Act, or such other amount as may be specified by the Government from time to time by any amendment to the Act.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, as amended and subject to such permissions, consents and approvals, if any, from Central Government and subject to such conditions, if any, that may be imposed by the Central Government while granting their consents, permissions and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords approval to the appointment of Mr. Shridhar S. Hegde as Whole-time Director in charge of Finance & Administration works of the Company from 1st January, 2012 on the terms and conditions as to remuneration by way of salary and perquisites as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to increase the remuneration and/or perquisites of Mr. Shridhar S. Hegde, in its absolute discretion within such guidelines or ceilings of Schedule XIII or other applicable provisions of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event where in any financial year during the currency of his appointment, the Company has no profit or its profits are inadequate, it may pay remuneration to Whole-time Director the total of which shall not exceed the ceiling limits as provided in Schedule XIII of the Act, or such other amount as may be specified by the Government from time to time by any amendment to the Act.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board

Place: Bangalore

Date: 17.11.2011

V. Ranganathan

Managing Director

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NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote instead of himself/herself and the proxy appointed need not be a member. The duly filled in proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item nos 5 to 13 is annexed herewith.
3. For the convenience of the Members and for proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is forwarded as detachable part of Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
4. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the meeting and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the meeting, so that, the required information can be made available at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository participants (DPs).
7. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of the folios and send the relative share certificates to the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited, (Unit: Cerebra Integrated Technologies Limited), Plot No 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
8. Listing fee has been paid to the Bombay Stock Exchanges up to date and the Company has already made delisting application to Kolkatta Stock Exchange and Ahmedabad Stock Exchange.
9. The Company's Shares are traded in electronic form with ISIN No. INE345B01019.
10. The Register of Members and the Share Transfer Books will remain closed on 17.12.2011 in connection with the Annual General Meeting.
11. Members are kindly requested to bring Annual Report 2010-11 along with them to the Annual General Meeting, since extra copies will not be supplied at the meeting.
12. Pursuant to Section 205A (5) of the Companies Act, 1956, as amended, any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the Shareholders shall not be able to claim any Unpaid Dividend from the said fund or from the Company. This information is included for the benefit of the Shareholders for future purposes.
13. The Shares of the Company are compulsorily traded in electronic form. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Transfer Agent of the Company at the following address:
Karvy Computershare Pvt. Ltd.
Plot No 17 to 24 Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Fax - 040-23420814
Phone: 040 - 44655185
14. Pursuant to SEBI notification no. MED/ DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA to enable/effect transfer of Shares in physical form.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item Nos. 5, 6, 7 & 8:

Your Company has undertaken aggressive measures to expand as can be confirmed from the financials and the contents of the Directors' Report.

Commensurate with the growth, the need for additional Working Capital has been re-estimated by the Management. From time to time, fund needs are to be met without disrupting the day to day operations and the expansion programmes.

Your Directors have therefore proposed to infuse more funds in to the Company with flexibility to accept the funds on need basis and at short notice.

This would require increase of the Authorised Share Capital and the consequential alterations in the Memorandum and Articles of Association of your Company; all these need your approvals.

It is now proposed to issue further 288172 Warrants convertible in to Equity Shares at a premium to the floor price as determined by the SEBI formula to a strategic investor with whom talks have been held. For this purpose, the consent of the Members is sought by way Special Resolution under Section 81(1A) of the Companies Act, 1956.

Hence, the proposal with the terms and conditions is placed before the members for approval.

Allotment of equity shares (subscription shares) to Strategic Investors:

a. Objects of the issue

To part fund your ongoing expansion programmes, new initiatives on expansion and to augment the working capital need.

Intention of Promoters/Directors/ key management persons to subscribe to the offer:

None of the Promoters/Directors/ key management persons intends to subscribe to any shares.

a) Shareholding pattern before and after the offer :

The shareholding pattern of the Company before and after the offer is as under (based on the Shareholding pattern as on 17.11.2011).

CATEGORY CODE	CATEGORY OF SHAREHOLDER	Pre allotment of Equity Shares		Post Allotment of Warrants	
		NUMBER OF SHARES	%	NUMBER OF SHARES	%
(A)	PROMOTER AND PROMOTER GROUP				
(1)	INDIAN				
(a)	Individual /HUF	2442982	6.28	3442982	6.86
(b)	Foreign Promoters	0	0.00	0	0.00
(c)	Others	0	0.00	0	0.00
	Sub-Total A	2442982	6.28	3442982	6.86
(B)	PUBLIC SHAREHOLDING				
(1)	NON-INSTITUTIONS				
(a)	Bodies Corporate	12211038	31.39	16083210	32.05
(b)	Individuals				
	(i) Individuals holding nominal share capital upto Rs.1 lakh	4179771	10.74	4179771	8.33
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	10667843	27.42	17072843	34.02
(c)	Others				
	Foreign Collaborators	9200000	23.65	9200000	18.33
	NON RESIDENT INDIANS	185555	0.48	185555	0.37
	CLEARING MEMBERS	17993	0.05	17993	0.04
	Sub-Total B	36462200	93.72	46739372	93.14
	Grand Total (A+B) :	38905182	100	50182354	100

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The above shareholding pattern has been arrived on the assumption that the entire Warrants proposed to be issued and outstanding Warrants of 10989000 would be converted in to Equity Shares.

b) Proposed time limit within which the allotment shall be complete

Within 15 days from the date of passing this resolution, provided all the statutory approvals are in place.

c) Identity of the proposed allottee(s) and percentage of post preferential issue capital that may be held by them:

Each of the proposed allottee(s) of the Equity Shares are as detailed hereunder and they shall be holding the post preferential issue capital as follows:

SL.NO	NAME OF THE ALLOTTEE PROPOSED TO BE ISSUED	NO. OF EQUITY SHARES IN THE POST PREFERENTIAL	PERCENTAGE OF SHAREHOLDING ISSUE CAPITAL
1	Bennett, Coleman & Co. Ltd	288172	0.57%

d) Issue price

The Issue price of Rs.46.50 per subscription share is in excess of that prescribed under the SEBI ICDR Regulations, 2009 and for the purpose of the above regulations, the Relevant Date is 17.11.2011.

e) Auditors' Certificate:

A copy of the Certificate of the Statutory Auditors of the Company as per SEBI ICDR Regulations has been obtained.

The approval of the shareholders is sought pursuant to Section 81(1A) of the Companies Act, 1956 and in terms of the Listing Agreement with Stock Exchanges to the issue of the above subscription Warrants as set out in the resolution.

The resolution set out in the Notice is recommended for the approval of the shareholders.

None of the Directors is concerned or interested in the resolution.

Item No. 9.

Shareholders may recapitulate that at the Extra Ordinary General Meeting held on 04.06.2011, approvals were accorded to issue Equity Shares on a preferential basis to the following persons who were also deemed to be considered as Promoters post allotment of the Shares to them:

- a. Scenic Overseas (S) PTE. LTD, Singapore – No. of Shares 36,00,000.
- b. Leytron Technology Pte. Ltd., Singapore - No. of Shares 33,00,000.
- c. Cimelia Resource Recovery Pte Ltd., Singapore - No. of Shares 23,00,000.

These allotments are related to the Company's E-Waste Recycling Project.

The Shares were allotted to them at premium and approval of the Government of India was obtained through the FIPB. However, due to certain legal impediments in the Country of Origin of these allottees namely Singapore, the categorization of these allottees as Promoters could not be effected.

Approval of Shareholders is therefore sought to categorize the above allottees as Non Promoters.

The Directors recommend the resolution for your approval.

None of the Directors is concerned or interested in the resolution.

Item No. 10:

Based on the recommendations of the Remuneration Committee, the Board of Directors of the Company at their meeting held on 17.11.2011 recommended Mr. V Ranganathan as Managing Director of the Company for a period of 3 years commencing from 01.01.2012 subject to approval in the next General Meeting.

Mr. V Ranganathan, aged 48 years holds a Engineering degree from Bangalore University and has 25 years of experience in the Electronics and IT Industry and as Managing Director in the Company for 19 years.

Mr. V Ranganathan is one of the original Promoters and has been responsible for bringing the Company to this level. The remuneration, detailed below, payable to Mr. V Ranganathan is within the ceilings specified under the Companies Act, 1956.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment as well as Memorandum of concern/interest of the concerned Director is set out as follows:

REMUNERATION:

Rs.1,00,000/- per month

(i) Conveyance Allowance:

He will be eligible for reimbursement towards fuel and Car maintenance expenses at actually on production of bills. He and his family will be eligible for the health Insurance, He shall not be entitled for any other allowances or benefits, other than mentioned above.

(ii) Leave Facilities:

He will be provided with 21 days of Leave and 5 days of Casual Leave during the Tenure. Unutilized leave shall not be eligible for Carry Forward or for encashment.

OTHER BENEFITS

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The total remuneration including perquisites shall not exceed overall limits in accordance with Sections 349 and 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of Salary and Perquisites shall be deemed as Minimum Remuneration.

MEMORANDUM OF CONCERN OR INTEREST

Except Mr. V Ranganathan himself, no other Director is concerned or interested in the resolution.

Item No. 11:

Based on the recommendations of the Remuneration Committee, the Board of Directors of the Company at their meeting held on 17.11.2011 recommended Mr. Gururaja K Upadhyas as Director-Technical of the Company for a period of 3 years commencing from 01.01.2012 subject to approval in the next General Meeting.

Mr. Gururaja K Upadhyas, aged 47 years holds a Engineering degree from Bangalore University and has 25 years of experience in the Electronics and IT Industry and as Director Technical in the Company for 19 years.

Mr. Gururaja K Upadhyas has been responsible for all kind of Technical, R & D of the Company.

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The remuneration, detailed below, payable to Mr. Gururaja K Upadhy is within the ceilings specified under the Companies Act, 1956.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment as well as Memorandum of concern/interest of the concerned Director is set out as follows:

REMUNERATION:

Rs.1,00,000/- per month

(i) Conveyance Allowance:

He will be eligible for reimbursement towards fuel and Car maintenance expenses at actually on production of bills. He and his family will be eligible for the health Insurance, He shall not be entitled for any other allowances or benefits, other than mentioned above.

(ii) Leave Facilities:

He will be provided with 21 days of Leave and 5 days of Casual Leave during the Tenure. Unutilized leave shall not be eligible for Carry Forward or for encashment.

OTHER BENEFITS

Apart from the aforesaid remuneration, the Director-Technical shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Director-Technical shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The total remuneration including perquisites shall not exceed overall limits in accordance with Sections 349 and 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Director-Technical, the Company has no profits or its profits are inadequate, the above remuneration payable by way of Salary and Perquisites shall be deemed as Minimum Remuneration.

MEMORANDUM OF CONCERN OR INTEREST

Except Mr. Gururaja K Upadhy himself, no other Director is concerned or interested in the resolution.

Item No. 12:

Based on the recommendations of the Remuneration Committee, the Board of Directors of the Company at their meeting held on 17.11.2011 recommended The Board of Directors of the Company at their meeting held on 17.11.2011 recommended Mr. P. Vishwamurthy as Wholetime Director of the Company for a period of 3 years commencing from 01.01.2012 subject to approval in the next General Meeting.

Mr. P. Vishwamurthy, aged 44 years holds Engineering degree from Mysore University, and has 15 years of experience in IT Industry. Mr. P. Vishwamurthy has been responsible for ITES Business of the Company.

The remuneration, detailed below, payable to Mr. P. Vishwamurthy is within the ceilings specified under the Companies Act, 1956.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment as well as Memorandum of concern/interest of the concerned Director is set out as follows:

REMUNERATION:

Remuneration Rs.1,00,000/- per month

(i) Conveyance Allowance:

He will be eligible for reimbursement towards fuel and Car maintenance expenses at actually on production of bills. He and his family will be eligible for the health Insurance, He shall not be entitled for any other allowances or benefits, other than mentioned above.

(ii) Leave Facilities:

He will be provided with 21 days of Leave and 5 days of Casual Leave during the Tenure. Unutilized leave shall not be eligible for Carry Forward or for encashment.

OTHER BENEFITS

Apart from the aforesaid remuneration, the Wholetime Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Wholetime Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The total remuneration including perquisites shall not exceed overall limits in accordance with Sections 349 and 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Wholetime Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of Salary and Perquisites shall be deemed as Minimum Remuneration.

MEMORANDUM OF CONCERN OR INTEREST

Except Mr. P. Vishwamurthy himself, no other Director is concerned or interested in the resolution.

Item No. 13:

Based on the recommendations of the Remuneration Committee the Board of Directors of the Company at their meeting held on 17.11.2011 recommended Mr. Sridhar S. Hegde as Wholetime Director of the Company for a period of 3 years commencing from 01.01.2012 subject to approval in the next General Meeting.

Mr. Shridhar S. Hegde, aged 50 years holds a Graduation degree from Bangalore University and has 30 years of experience in Marketing and as Director Marketing in the Company for 18 years

Mr. Shridhar S Hegde has been responsible for Finance and administration works of the Company.

The remuneration, detailed below, payable to Mr. Shridhar S. Hegde is within the ceilings specified under the Companies Act, 1956.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment as well as Memorandum of concern/interest of the concerned Director is set out as follows:

REMUNERATION:

Rs.1,00,000/- per month

(i) Conveyance Allowance:

He will be eligible for reimbursement towards fuel and Car maintenance expenses at actually on production of bills. He and his family will be eligible for the health Insurance, He shall not be entitled for any other allowances or benefits, other than mentioned above.

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(ii) Leave Facilities:

He will be provided with 21 days of Leave and 5 days of Casual Leave during the Tenure. Unutilized leave shall not be eligible for Carry Forward or for encashment.

OTHER BENEFITS

Apart from the aforesaid remuneration, the Wholetime Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Wholetime Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The total remuneration including perquisites shall not exceed overall limits in accordance with Sections 349 and 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Wholetime Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of Salary and Perquisites shall be deemed as Minimum Remuneration.

MEMORANDUM OF CONCERN OR INTEREST

Except Mr. Shridhar S. Hegde himself, no other Director is concerned or interested in the resolution.

By Order of the Board

Place: Bangalore

Date: 17.11.2011

V. Ranganathan

Managing Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING:

1. Mr. Shridhar S. Hegde:

Date of Birth: 27.01.1961

Qualification: BSc

Expertise: General Corporate Experience

No. of Board Meetings attended during the year: 10

2. Mr. P. Vishwamurthy:

Date of Birth: 03.05.1967

Qualification: B E

Expertise: Experience in IT related business

No. of Board Meetings attended during the year: 10

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

DIRECTORS' REPORT

Your Directors present their Seventeenth Annual Report together with the audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 2011.

CONSOLIDATED FINANCIAL RESULTS:

(Rs. in lakhs)

Particulars	2010-11	2009-10
Total Income	8379.81	6121.39
Total Expenditure	8107.28	5935.06
Operating Profits (PBIDT)	272.53	186.33
Interest	14.57	2.66
Depreciation	23.44	29.31
Profit Before Extra Ordinary Income	234.52	154.36
Provision for Tax – MAT	39.95	27.88
Profit after Current Tax but before Deferred Tax	194.57	126.47
Prior year expenses	17.17	0.00
Transitional Adjustment- Gratuity/Leave Salary	12.01	0.00
Minority Interest	20.90	4.67
Profit available for appropriations/(Loss)	144.47	121.81

REVIEW OF OPERATIONS & GROWTH OPPORTUNITIES:

Perhaps the Shareholders have widely observed recessionary trends in the Corporate Sector due to the global issues. Mix of hike in oil price, enhanced interest rates, increase in input costs all across and lackluster demand for the products globally has been the cause. Given the circumstances, your Company was able to overcome some of these hurdles and still achieve better performance.

Your Company continued to focus on the hardware business which has been major revenue earner and has introduced two new Lines of Business Enterprise Solutions Division and Enterprise Mobility Solutions and has recruited senior professionals from the Industry. The Company has also infused capital amount to acquire 51% stake in Geeta Monitors Pvt., Ltd., one of India's largest distributors of IT products.

The Shareholders may recall that your Board had covered in last Annual Report the proposal to set up Electronic Recycling Plant to address E-Waste Management. Lot of efforts have been infused post last Annual General Meeting towards this direction and following are the key milestones:

- a) Approvals of Shareholders were obtained for all the related requirements including preferential issues of Shares/Warrants to Foreign Technical Consultants and Plant and Machinery Vendors, Strategic Investors and Promoters.
- b) Approval from the Foreign Investment Promotion Board (FIPB) of the Government of India has been received.
- c) Consent for operation for E Waste facility from Karnataka State Pollution Control Board has been received.
- d) Fund raising to meet the CAPEX and OPEX programs is in the process of being tied up. Partial funds have already been raised.
- e) Requisite Training Program on the E-Waste business has been in full progress at Singapore for the Company's Personnel.
- f) One mobile shredder has arrived from Singapore to commercially commence the E-Waste related business prior to the actual implementation of the Project.

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- g) The Company has received few orders for the collection of E Waste from different parts of the country.
- h) In order to facilitate expanded ITeS business and ESD, additional space of 5000 sq ft has been taken on lease and all infrastructures have been established thereat and commercial activities have commenced at the new facility.

Your Company has enhanced its head count in all its verticals.

The Directors report that the Company continues to be debt free.

SUBSIDIARY COMPANIES

The Company has following subsidiaries:

1. Cerebra LPO India Limited.
2. Geeta Monitors Private Limited.
3. Cerebra Middle East FZCO, Dubai.

The Ministry of Corporate Affairs, Government of India has issued Circular granting general exemption to companies under 212(8) from attaching the document referred to in Section 212(1) pertaining to its subsidiaries. However, certain information as required is furnished in Annexure.

ITES DIVISION:

Cerebra LPO India Limited continued to consolidate its business spectrum and was able to achieve improvised results in Legal Process Outsourcing and Medical Transcription segments. USA continued to be the main target for LPO business whilst MT grew well with the support from a UK Client through their Indian arm. Efficient professionals have been engaged on full time basis in the USA and the Company's Senior Executives also stay themselves in the USA to aggressively pursue the business. Your Company has opened an office at Broadway, New York, USA. Scope to enhance the MT business is being explored by the Company.

Your Company acquired majority stake in Geeta Monitors Private Limited during the year under report. Geeta Monitors is a large and established IT hardware distributor in India.

Further, your Company after careful consideration has opened up subsidiary in Dubai.

More details on the subsidiaries are exhibited in the Management Discussion elsewhere in this Report.

DIVIDEND:

Your Directors regret to inform you that no dividend is recommended for the year-ended 30th September 2011 considering the aggressive expansion programs in different verticals and the need of capital needs – both capex and opex.

DIRECTORS:

Mr. Shridhar S. Hegde and Mr. P. Vishwamurthy Directors, retire by rotation in accordance with the Companies Act, 1956 and Articles of Association of the Company and being eligible, offer themselves for re-appointment.

FIXED DEPOSITS:

Your Company has neither accepted nor renewed any Fixed Deposits during the year ended 30th September, 2011.

AUDIT COMMITTEE:

Audit Committee constituted by the Board of Directors with requisite composition to fall in line with the prevailing laws continued to discharge its functions during the year under report.

AUDITORS:

Messrs Ishwar & Gopal, Chartered Accountants, the existing Auditors, have expressed their willingness to get reappointed at the ensuing Annual General Meeting.

The Board of Directors recommends their appointment.

AUDITORS' REPORT:

Regarding comments of the Auditors in their report dated 17.11.2011 the explanations of the Directors are as follows:

- a. The Management is hopeful of recovering the amount from debtors and hence no provision was made
- b. Regarding unpaid Statutory Liabilities referred
 - i. Excise Duty: Excise authorities have confiscated the inventory of the Company during 2003-2004, the market value of which was more than the dues payable. Hence the Company has not remitted the dues and also not considered the said inventory in the accounts.
 - ii. Income Tax: Income Tax demand is under reconciliation and will be remitted once the same is completed.

PARTICULARS OF EMPLOYEES:

There was no employee drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

DEPOSITORY SYSTEMS:

Your Company continues with an arrangement with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of your Company's securities in accordance with the provisions of the Depositories Act 1995, which are fully operational and members may avail of such facilities. With this, the members have an option / discretion to hold their demat shares in the Company through National Securities Depositories Limited and/or Central Depository Services (India) Limited.

COMPLIANCE OF STOCK EXCHANGE FORMALITIES:

Your Company has fully complied with the Listing formalities of all the Stock Exchanges where the Company's shares are listed. Your Directors have taken necessary action in connection with the Guidelines/Regulations issued by Securities and Exchange Board of India (SEBI) on Insider Trading.

ACCOUNTING STANDARDS:

The Company has followed the mandatory Accounting Standards for preparation of Financial Statements for the year ended September 30, 2011.

CORPORATE GOVERNANCE:

The Company has complied with all the recommendations of Corporate Governance Code as provided in Clause 49 of the Listing Agreement. A detailed report on Corporate Governance has been included separately in the Annual Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company is committed to transparency, good Internal Controls and risk Management. It has established Adequate System of Internal Control commensurate with size of the business.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY:

Though the Company does not have energy intensive operations, it continues to adopt energy conservation measures. Energy conservation programs adopted by the Company are-

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- (i) Continuous monitoring of energy consumption.
- (ii) spreading awareness among the employees on the need to conserve energy.
- (iii) optimizing plant and machinery system performance to reduce cost.

Further, the Company is implementing the provisional of ISO 14001 : 2004, though it has not obtained the certification and has taken an organizational objective to optimize energy utilization.

(B) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings: Rs. 1.20 lakhs

Foreign Exchange Outgo: Rs. 111.04 Lakhs

DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 217(2AA) of the Companies (Amendment) Act, 2000 your Directors hereby confirm that -

- In the preparation of these annual accounts, the applicable accounting policies and standards are followed, as issued by the Institute of Chartered Accountants of India (ICAI) and the requirements of the Companies Act, 1956, to the extent applicable. No material departures are noticed from the prescribed accounting standards;
- The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company as at the end of the year ended September 30, 2011 and of the "Profit/(Loss)" of the Company for that year;
- The accounts for the year-ended 30.9.2011 have been prepared on a system of historical cost, on a going concern and on accrual basis;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud, errors and other irregularities;
- Financial Statements have been audited by Messrs Ishwar&Gopal, Chartered Accountants, Bangalore, being the Statutory Auditors of the Company.

UNUSUAL ITEMS AFTER THE YEAR END DATE:

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and for the financial year in which this report is made.

ACKNOWLEDGEMENTS:

Your Directors thank the Shareholders/Investors for their response and confidence, Customers, Vendors, Bankers, Channel Partners, Software Technology Park of India, the various Central Government Departments and State Government Departments for their invaluable co-operation and support for your Company's growth.

For and on behalf of the Board

Place: Bangalore
Date: 17.11.2011

V Ranganathan
Managing Director

Shridhar S Hegde
Wholetime Director

**Details pursuant to Section 212 of the Companies Act, 1956,
relating to subsidiary companies 2010-11.**

(in Rs)

Particulars	Cerebra LPO India Limited	Cerebra Middle East FZCO, Dubai	Geeta Monitors Private Limited
Share Capital	500000	1100793	49,999,500
Reserves	4611002	-1387878	38911335
Details of Investment	350,000	1,100,793	42,839,580
Total Assets	5,164,769	(164,774)	121,393,521
Total Liabilities	5,164,769	(164,774)	121393521
Turnover	23480758	0	90919888.93
Profit before tax	6,186,655	(1,375,764)	2,563,135
Provision for tax	1,971,514	0	763,129
Profit after tax	4,215,141	(1,375,764)	1,800,006
Proposed Dividend	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE (In terms of recommendations by SEBI)**INTRODUCTION:**

As reported in the last Annual Report, your Company has implemented and complied with the Corporate Governance Code recommended by the Securities and Exchange Board of India (SEBI). Your Company shall always be managed with the principles of Good Corporate Governance with a view to enhance overall Shareholder value and to run the business effectively to achieve its corporate objectives.

I. BOARD OF DIRECTORS:

A. The Board of Directors of the Company has 4 Executive and 3 Non-Executive Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors have met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dwelt at length by the Board at its various proceedings.

The details of the Directors' attendance at the meetings of the Board of your Company during the year ended 30.09.2011 are given below:

Sl. No.	Name	Designation	No. of Board Meeting held	No. of Board Meetings attended
Executive/Whole time Directors				
1.	Messrs V Ranganathan	Managing Director	10	10
2.	Gururaja K Upadhyaya	Whole Time Director	10	10
3.	Shridhar S Hegde	Whole Time Director	10	10
4.	P Vishwamurthy	Whole Time Director	10	10
Non Executive and Independent Directors				
5.	Messrs Suresh Kumar TS	Director	10	6
6.	PE Krishnan	Director	10	4
7.	S Gopalakrishnan	Director	10	7

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All the Directors attended the Sixteenth Annual General Meeting. 2 Extraordinary General Meeting were held during the year under report.

II. AUDIT COMMITTEE:

The functions of Audit Committee are as follows:

- To oversee the Company's financial reporting process and disclosure of its financial information;
- To recommend the appointment of statutory auditors and fixation of the audit fee;
- To review and discuss with the auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit function, major accounting policies, practices and entries;
- Compliance with accounting standards;
- Compliance with the Stock Exchange and legal requirements concerning financial statement and related party transactions, if any;
- To review the Company's financial and risk management policies;
- Discuss with the internal auditors any significant findings for follow-up thereon;
- To review the quarterly, half yearly and annual financial statement before submission to the Board of Directors.

The Committee also meets the management team and reviews the operations, new initiatives and performance of the business units.

The Audit Committee is comprised of the following Directors:

1. Mr. S. Gopalakrishnan – Chairman
2. Mr. T.S. Suresh Kumar – Member
3. Mr. P.E. Krishnan – Member

The details of attendance of the meetings of the Audit Committee for the year ended 30.9.2011 are as follows:

Sl No.	Name	No. of meetings held during the year	No. of meetings attended during the year
1.	Messrs S. Gopalakrishnan	4	4
2.	T.S. Suresh Kumar	4	4
3.	P.E. Krishnan	4	3

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

III. REMUNERATION COMMITTEE:

The functions of Remuneration Committee are as follows:

- To review, assess and recommend the appointment of executive and non-executive Director from time to time;
- Periodically review the remuneration package of the executive Directors and recommend suitable revision to the Board;
- To recommend compensation to the non-executive Directors in accordance with the provisions of the Companies Act, 1956;
- To consider and recommend Employee Stock Option Schemes from time to time and to administer and supervise the same.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The Remuneration Committee consists of the following Directors:

1. Mr. S.Gopalakrishnan – Chairman
2. Mr. T.S Suresh Kumar – Member
3. Mr. P.E.Krishnan – Member

The details of attendance of the meetings of the Remuneration Committee for the year ended 30.09.2011 are as follows:

Sl No.	Name	No. of meetings held during the year	No. of meetings attended during the year
1.	Messrs S. Gopalakrishnan	1	1
2.	T.S. Suresh Kumar	1	1
3.	P.E. Krishnan	1	1

Details of Remuneration of Directors:

(Amount in Rs.)

Sl. No.	Name	Designation	Salary(in Rs)	Sitting fee*
Executive/Whole time Directors				
1.	Messrs V Ranganathan	Managing Director	5,04,210.00	NIL
2.	Gururaja K Upadhyaya	Whole Time Director	5,04,210.00	NIL
3.	Shridhar S Hegde	Whole Time Director	5,04,210.00	NIL
4.	P Viswamurthy	Whole Time Director	5,04,210.00	NIL
Non Executive and Independent Directors				
5.	Messrs Suresh Kumar TS	Director	NIL	NIL
6.	PE Krishnan	Director	NIL	NIL
7.	S Gopalakrishnan	Director	NIL	NIL

Note: In view of inadequate surplus, no sitting fee was paid to the Directors.

IV. INVESTORS' GRIEVANCES COMMITTEE:

The functions of Investors' Grievances Committee are as follows:

- To look into the shareholders' complaints, if any and to redress the same expeditiously.
- To approve the request for issue of duplicate share certificates and issue of certificates after split/consolidation.

The Investors' Grievance Committee consists of the following:

1. Mr. S. Gopalakrishnan – Chairman
2. Mr. TS Suresh Kumar – Member
3. Mr. P.E. Krishnan – Member

The Sub-Committee duly appointed by the aforesaid Committee met continuously to address the various issues relating to the investors, including non-receipt of Annual Reports, Dividend related issues, Change of addresses, transfers of shares, dematerialization and other related aspects. The Company has also continuously requisitioned the services of an independent Practicing Company Secretary to review the procedures followed by the RTA. No major grievance of any investor was pending as on 30th September, 2011.

None of the Directors of the Company was member in more than 10 committees nor acted as Chairman of more than five committees across all companies in which they were Directors. During 2010-11, no transactions of material

nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company.

V. MANAGEMENT:

Clause 49 of the Listing Agreement with the Stock Exchanges states the following as regards the Management.

The Company agrees that as part of the Directors' Report or as an addition there to, a Management Discussion and Analysis report should form part of the annual report to the Shareholders. This Management Discussion & Analysis should include discussion on the following matters within the limits set by the Company's competitive position:

- i. Industry structure and developments
- ii. Opportunities and Threats
- iii. Segment wise or Product-wise performance
- iv. Outlook
- v. Risks and concerns
- vi. Internal control systems and their adequacy
- vii. Discussion on financial performance with respect to operational Performance
- viii. Material developments on the Human Resources/ Industrial Relations front, including number of people employed

A 'Management Discussion and Analysis of Results of Operations and Financial Condition' report is included hereunder.

The report contains all the information specified above.

The Company has a policy under which all the Directors of the Company are required to disclose all material financial and commercial transactions where they have a personal interest to the Board. All the related party transactions are disclosed as note no. 10 under Notes to Accounts.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2011:

Cerebra – Enterprises Solutions Division

As you know we have been for many years now implementing various IT based projects for many startups and established companies under our IT Infrastructure Management Division. We have rechristened it as **Enterprise Solutions Division** and appointed a CEO, Mr. Phalguna Jois, an IT Professional of nearly 20 years of experience. He has headed and driven various SBUs of companies such as Ingram Micro, as VP – Datawind, as Sales Head of Eros Group – Dubai, etc.,

At ESD we study customers IT requirements, identify pain points and accordingly design and plan their IT H/W & S/W infrastructure which includes networking, servers, storage, endpoints, operating systems, application software and ensure successful implementation.

Many small and medium size enterprises lack proper IT infrastructure and rely more on AMC providers for their IT requirements which get fulfilled on a short term basis mainly because the AMC companies lack the technical skills as well as the vision to design IT infrastructure based on growth plans. Cerebra can successfully help bridge this gap with its technical competencies and strategic tie-ups with technology vendors such as IBM, Dell, Cisco, EMC, Huawei-Symantec, Intel, Huawei Enterprises, Juniper, Silver Peaks, MSI, Fibrenetix, Quantum, Microsoft, etc to name a few. Cerebra can design, implement and maintain IT infrastructure for SMEs as well as large enterprises successfully.

The Enterprise Solutions team now consists of experienced sales professionals and certified services professionals from the industry. The services team consists of trained and certified install, configure and implement professionals across product categories, trained and experienced trouble shooters & competent maintenance resources. We have special skillsets in Networking, Storage & Servers and implementation of various software products such VMware, Citrix, Microsoft, ERP, etc. Our aggressive sales team is extremely focused and competent with sound industry and product knowledge.

Having restarted this business during the last quarter of the financial year 2010-2011, we have very aggressive plans for the financial year 2011-2012 targeting especially the defence labs, BFSIs, PSBs, PSUs, Healthcare and Education in addition to the corporates. With our account managers focusing on different verticals to bring new business opportunities, we anticipate a fairly large contribution to Cerebra's revenues in the new financial year. The market in Bangalore/Karnataka alone has a potential opportunity of close to INR 100 crores during the new financial year with demands for storage, networking and managed services expected to see a tremendous growth during

this period. We also look forward to working in synergy with our E-waste and Software divisions to maximize our opportunities. In addition, we would look to address suitable tender opportunities at other locations as well which would be an added bonus.

Geeta Monitors Private Ltd., (popularly known as **Geeta Electronics**) is a professionally managed company engaged in marketing of Electronic Components, Computers, Computers Peripherals and consumables.

As the growth in the electronics industry showed a sharp increase with the introduction of Microprocessors. Geeta Electronics became a one-stop source of all types of electronic components and microprocessor trainers with a client spread all over India. The Company's list of regular customers became a veritable list of who's who in the Industry.

The Company has nearly three decades of experience in and Marketing Electronic Components, Computers & Computer Peripherals and PCB designing and photo plotting. The Company is a pan India distributor of IT products for Personal Computing Systems, Servers, Storage & Networking, Software and Peripherals for brands such as APC, Dell, D-Link, HCL, HP, IBM, Lenovo, Microsoft, Symantec, Toshiba and Fujitsu products.

It has won accolades from ROORKIE in 2008, Data Quest in 2006, 2008 and 2009 and HP as a premium Business Partner in 2010.

Cerebra Middle East

Established in Dubai, U.A.E, in April 2011, **Cerebra Middle East** is a subsidiary of **Cerebra Integrated Technologies Ltd.**, Bangalore, India. With this, we have now extended our operations to Middle East and North Africa. The main business focus would be as a **Data Storage & Infrastructure Value Added Distributor** in the Middle East and North Africa. We provide comprehensive suite of solutions & services that enable enterprises of all sizes to efficiently store, protect & manage business critical data, and harness the value of information.

Cerebra Middle East is extremely client-centric and technology-neutral in providing full spectrum Data Storage Infrastructure solutions to customers in the SMB, SME & Large Enterprise domain, through a wide reseller channel network, consisting of Value Added Resellers and Systems Integrators.

Our core competencies include advanced technology skills, in depth industry know-how, strong reseller network and extensive market experience. In addition to bringing leading-edge technology to the region, we provide advanced Pre-sales Consultancy, Project Assessment, Solution Planning & Design, Technical Implementation & Deployment and Technical Support & Maintenance Services as key value additions to our clients.

Focused approach, superior industry knowledge and advanced technical skill sets make **Cerebra Middle East** a true Value Added Distributor in the region.

Partners

Our Strategic partnerships with global leaders in the Data Storage Industry, viz., DELL, NetApp, Fibrenetix, Cannon Technologies etc., provide us the ability to recommend, market, implement and support pioneering technology solutions to clients in the region.

Cerebra Middle East is also the **Authorized Service Provider for most of whose products and solutions offerings.**

Solutions

Cerebra Middle East provides full-spectrum Data Storage Infrastructure Solutions to customers in the SMB, SME, and Large Enterprise domains. Our expected consulting team offers additional value services including Business Need Assessment, Architecture and Proof of Design to optimize solutions to customer requirement.

Disaster Recovery Archiving Storage Area Network E-Mail Archive Compliance Disk Backup Security and Surveillance	Backup Virtualization Network Attached Storage Storage Consolidation High Availability Information Life Cycle Broadcast and Media	Recovery Business Continuity Replication ISCSI Capacity on Demand Health Care
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Services & Support

Our Professional Storage Services portfolio encompasses the complete spectrum of technical services that aid an enterprise in analyzing, planning for, implementing and managing their strategic digital storage needs. Delivered together with and through our highly competent and skilled Channel Partners as well as external Technical Services Experts, the various elements of our Storage Services portfolio includes: Storage Assessment Consulting, Storage Architecture Design, Solution Implementation & Deployment, Education & Training.

Cerebra LPO India Limited

As you as aware we have started this subsidiary in 2008 and are running this successfully and are now on the verge of bagging larger clients in the Legal Support Services and Medical transcription areas.

Cerebra LPO has set up its US operations to better source and service all its clients in the US and have since appointed Mr. David T Kinnear as the head of US Operations and we believe, his vast experience and expertise is going to help Cerebra LPO achieve this objective.

Mr.David T Kinnear has held senior leadership positions within the top 5 global bank and start-up operations. He has been an accomplished presenter, polished C-level networker with excellent communications skills.



As an Attorney, he is a subject matter expert in the Global Sourcing and Business Process Outsourcing (BPO) sectors.

He is an energetic and articulate global business leader, rainmaker and a brand champion. He has deep roots and extensive connections in law, banking & business services sectors. David has been a strategic adviser and a mentor to banking companies and early stage companies with disruptive technology or service propositions, such as in the outsourcing, social media, energy and carbon accounting sectors and commercial real estate sectors.

He has been a Co-Founder & Partner of GSSOCX - The Global Shared Services, Outsourcing & Consulting Exchange

He has also been the Co-Founder & Chair Elect of The Global Sourcing Council (GSC).

Mr.David T Kinnear has his Masters from Harvard Kennedy School and is a Solicitor from Grays Inn, London. We have since opened an office in New York right in Manhattan to cater to client requirements at 1370, Broadway, New York 10018.

The Legal Support Services team now consists of experienced Legal Associates in practice areas such as Personal Injury, Bankruptcy & Foreclosure, Document & Contract Review, Intellectual Property Services and UK Conveyancing. Most of these people are well experienced in their respective practice areas and are training other Legal Associates to enhance the delivery capabilities.

We have partners in the UK who are on the verge acquiring clients in the Conveyancing services areas in the UK in the coming calendar year 2012. With this and our new office in USA, 2012 should be a good year in terms of earnings and growth.



The medical transcription services business has grown at a steady pace and are now looking at acquiring direct clients both in the USA and UK. The rates have become competitive and the attrition levels are increasing due to shortage of skilled resources. Cerebra is planning to start training and recruit these trained resources for in-house requirements as well as place them as Consultant's at client locations. Cerebra currently transcribes about 7 Million lines and plans are to increase this to 10-12 Million lines.

Cerebra Software Division



Cerebra Software Division restarted operations in end January 2011 with the core objectives of complementing the hardware division in providing total end to end IT solution to our clients and associates. The division is focussing on Mobility solutions as a niche and growth area. Realizing the potential of the industry segment and in-house expertise the division has rapidly grown to a 23 member having acquired several long term strategic clients and partners.

The division is headed by a CEO Mr. Sudhakar S.V who has mandate to make this into an independent and sustainable profit center. Mr. Pavan Panchamukhi, Vice President – Business Development is a co-founder of several start-ups and is currently heading the business development. The division has very senior and skilled software professionals both in technical as well as management areas.

Cerebra has partnered with a couple of associate companies who have some products and solutions which are being fine-tuned to be delivered in the next six months. There is no bench strength and the investments made for initial team and infrastructure building as well as marketing is likely to bear rich dividends in the coming financial year.

Starting from a couple of small but niche proof of concepts the division has acquired a strategic client in the education sector to develop custom products and software solutions also involving hardware design, customization and potential manufacturing opportunities.

Overall the division is targeting an order book of over 15 projects from about 6 clients which will add substantial client by early 2012. Some of the solutions are summarized below.

1. Attendance tracking system development involving centralised hosted server applications and embedded client applications on different target devices.
2. Bringing up embedded Linux based client devices with peripherals like Fingerprint scanner, keyboard, LCD screen, Ethernet port etc. and porting the software developed by Cerebra on total of 450 devices. These are developed on two hardware devices.
3. Developing barcode reader interfaces for the above devices.
4. New client device development including hardware design, peripherals interfacing and porting of the embedded software (In scoping phase currently). Once the prototype is approved there are proposed requirement for supply of large numbers typically in the range of 5,000 devices per annum.
5. Tablet based proprietary Blue tooth solution proposed by the software team has evoked keen interest with the client and a small project involving 20 tablets has been successfully delivered. Starting a pilot project involving close to 75 devices which will be scaled up to 3000 devices. The division expects 20000 numbers of customized hardware and Cerebra software loaded devices to be deployed by mid of 2012. This has potential to grow into a large and continuous business area involving lakh plus devices in next couple of years with good profit margins as it is a proprietary solution.
6. Delivered a pilot concept to a Dubai based bank for an interactive kiosk solution through our partners and in the process of signing up for full solution. Four other banks have also plans to implement the same solution in Dubai.
7. Couple of mobile applications for U.S and Indian customers involving Blackberry and iPad devices.
8. Marketing platform as a VAS with mobile operators involving multiple technologies like web, Bluetooth, GPS etc. has been completed for an African client and deployment is currently underway.
9. Division has recently launched a proximity marketing campaign product at one of the large malls in Bangalore and based on very good responses this product will soon be rolled out as a service offering across cities.
10. The division is also in talks with major partners for turnkey development in the area of mobile applications and also setting up offshore development centres dedicated to the customers.

In addition to the projects and solutions the division has access to ready to deploy and customizable products through their partners as detailed below.

- Proximity Marketing
- SCM/CRM for retail
- Logistics/Courier
- Onfield Sales & Support
- RFID/Barcode Integration
- LBS for content distribution

In Summary the division specialization includes:

- Outsourced product development.
- Application software development.
- Offshore software outsourcing services in the enterprise and mobility areas.
- Solution focus in the domains of retail, education and healthcare

By way of business focus the division has a mix of product development and services with services coming out of the customizations and maintenance contracts of the products deployed for the customers and is thus largely unaffected by the competition with established IT companies. The division has started generating revenues and is on the way to becoming a niche and valuable IT partner to prestigious clients.

COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Mr. Shridhar Hegde continues to be the Compliance Officer of the Company. Address of the Registered Office of the Company shall be the address for correspondence.

Details of Annual General Meeting (AGM):

Year	Location	Date	Time
2007-08	Registered Office of the Company	23.12.2008	10 AM
2008-09	Registered Office of the Company	30.12.2009	11 AM
2009-10	Registered Office of the Company	30.12.2010	11 AM

Means of Communication:

Quarterly results are forwarded to the Stock Exchanges and are made available to the investors.

GENERAL SHAREHOLDERS' INFORMATION:

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: 17th December, 2011 at 11 AM
2. Financial Calendar: 1.10.2010 to 30.9.2011
3. Book Closure Date: 17th December, 2011
4. Listing on Stock Exchange at :
 - a. Bombay Stock Exchange Limited (BSE)

5. Depositories:

National Securities Depository Limited

Central Depository Services Limited

Stock Code: BSE – 532413

Demat arrangement with NSDL and CDSL: INE345B01019.

6. Registrars & Share Transfer Agents:

Karvy Computershare Private Limited,

Plot No 17 to 24 Vittal Rao Nagar

Madhapur Hyderabad - 500 081

Phone : 040 - 44655185 Fax - 040-23420814

Email: sanjayrao@karvy.com

7. Stock Market Data:

Scrip Code:532413 Company::CEREBRA INT

For the Period:October 2010 to September 2011

Month	Open Price	High Price	Low Price	Close Price
October 2010	28.00	34.00	27.35	31.90
November 2010	34.50	39.70	29.35	35.45
December 2010	34.00	40.20	28.60	36.35
January 2011	37.45	38.50	30.10	30.50
February 2011	31.75	31.85	25.40	26.35
March 2011	27.40	31.45	26.05	28.20
April 2011	28.25	36.50	25.10	33.45
May 2011	33.00	41.90	33.00	38.85
June 2011	39.45	41.90	33.40	37.10
July 2011	38.30	46.35	34.75	41.70
August 2011	42.85	43.30	33.50	37.35
September 2011	38.00	43.40	35.50	36.10

H-L : High-Low

C-O : Close-Open

Annual Report 2010-2011

8. Share Transfer System:

The Company in consultation with the RTA ensures that the transfers of shares in physical form and dematerialization take place well within the time limits.

9. Distribution of Shareholding as at September 30,2011:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0-5000	6441	78.19%	1090559	10905590	2.96%
5001 - 10000	723	8.78%	630198	6301980	1.71%
10001 - 20000	363	4.41%	595844	5958440	1.62%
20001 - 30000	180	2.18%	474140	4741400	1.29%
30001 - 40000	77	0.93%	282789	2827890	0.77%
40001 - 50000	100	1.21%	483646	4836460	1.31%
50001 - 100000	123	1.49%	985457	9854570	2.67%
100001 & Above	231	2.80%	32328549	323285490	87.68%
TOTAL	8238	100.00%	36871182	368711820	100.00%

10. Categories of Shareholding as at September 30,2011:

Category	No. Of shares held	% Of holding
Promoters Holding:		
i. Indian Promoters	17929820	4.86
ii. Foreign Promoters	0	0
Sub Total	1792982	4.86
Non-Promoters Holding:		
i. Mutual Fund and UT	0	0
ii. Banks, Financial Institutions and Insurance companies	0	0
iii. Bodies Corporate	11045038	29.96
iv. Indian Public	14629614	39.68
v. NRIs/OCBs	185555	0.50
vi. Foreign Collaborators	9200000	24.95
vi. Others – Clearing Members	17993	0.05
Sub Total	35078200	95.14
Grand Total	36871182	100

11. Dematerialization of shares and liquidity as at 30-9-2011:

Control Report as on 30/09/2011

Description	No of Holders	Shares	% To Equity
PHYSICAL	1733	14651777	39.74%
NSDL	4495	16469225	44.67%
CDSL	2010	5750180	15.60%
Total:	8238	36871182	100.00%

Comparative position as on 30/9/2011

Description	No of Holders	Shares	% To Equity
PHYSICAL	1733	14651777	39.74
ELECTRONIC FORM	6505	22219405	60.26
Total:	8238	36871182	100.00

12. Number of days taken for dematerialization: 15 Days from the date of physical documents received

13. Dematerialization request from 01-10-2010 to 30-09-2011:

SL. No		No. of Cases	No. of Shares	% of Shares
1.	NSDL	22	4700	0.013
2.	CDSL	8	800	0.0021

14. Postal Ballot:

No Resolution was passed during the year attracting Postal Ballot and no resolution attracting Postal Ballot is recommended at this meeting.

15. Report on Corporate Governance:

This report together with the information given in Directors Report constitutes a detailed compliance report on Corporate Governance during the current year.

16. Disclosures regarding suspense account pursuant to SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009:

As per the above mentioned Circular, Clause 5A stands for shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the escrow account and any unclaimed benefits like Dividend, Bonus Shares etc., which are to be credited to the Demat Suspense Account. This being the first year after the circular coming into force from April 2009, your Company is taking steps to streamline all the requirements.

For and on behalf of the Board

Place: Bangalore

Date: 17.11.2011

V Ranganathan

Managing Director

Shridhar S. Hegde

Wholetime Director

Forward looking statement

In this annual report, we have mentioned certain forward looking information to enable investors to comprehend our business model and future prospects and make informed investment decisions. This annual report and other communications from us, oral or written, may include certain forward looking statements that set out certain anticipated results based on management's assumptions and plans. Even though the management believes that they have been prudent in making such assumptions, we cannot guarantee that these forward looking statements will be realized. We undertake no obligation to update forward looking statements. The achievement of results is subject to various risks, known and unknown. We request readers to bear this in mind while reading this report.

Certification by CEO (Managing Director)

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:-
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and the results or operations and cash flows. These statements have been prepared in conformity in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into, by
 - a. The Company during the year, which are fraudulent, illegal and violative of the Company code of conduct.
3. We accept overall responsibility for the company's internal control system for financial reporting. The Auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and Audit Committee
 - a. Any significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year.
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such instances.

Place: Bangalore

Date: 17.11.2011

V Ranganathan

Managing Director

CERTIFICATE**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS.**

To
The Members of
Cerebra Integrated Technologies Limited
Bangalore

I have examined the compliance of the conditions of Corporate Governance by Cerebra Integrated Technologies Limited for the year ended 30th September, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai(BSE) in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investors' grievances received during the year ended 30th September, 2011, no investor grievances are pending against the Company as on 30th September, 2011, as per the records maintained by the Registrar and Share Transfer Agent and the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date : 17th November, 2011

Vijayakrishna K T
Practicing Company Secretary
FCS-1788
CP-980

AUDITORS' REPORT

To,

The Members of,
Cerebra Integrated Technologies Limited

1. We have audited the attached balance sheet of Cerebra Integrated Technologies Limited as at 30th September 2011 and Profit and Loss Account and Cash Flow Statement for the year ended on the date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956
 - (v) On the basis of written representations received from the directors as on 30th September 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India subject to *our inability to express an opinion on recoverability of Rs 138.53 Lakhs of long outstanding debtors/ advances,*
 - i. in the case of the balance sheet, of the state of affairs of the Company as at 30th September 2011;
 - ii. in the case of the profit and loss account, of the profit for the year ended on that date; and
 - iii. in the case of the cash flow statement, of the cash flows for the year ended on that date :

For Ishwar & Gopal
Chartered Accountant

Date: 17.11.2011
Place: Bangalore.

K V Gopalakrishnayya
Partner.
Membership Number 021748
Firm Registration No.001154S

**Annexure to the Auditors' Report
(Referred to paragraph (1) of our report of even date)**

- (i) (a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets:
 - (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year under review which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
 - (c) During the year under review , the Company has not disposed of substantial portion of the fixed assets so as to affect its going concern basis.
- (ii) (a) According to the information and explanations given to us, the inventories have been physically verified by the management at reasonable intervals.
 - (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are adequate in relation to the size of the Company and the nature of its business.
 - (c) According to the information and explanations given, the Company has maintained proper records of inventory. We have been informed that the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to information and explanations given to us, the Company has not taken loans or advances from parties listed in the Register maintained u/s 301 of the Companies Act, 1956.
 - (b) (i) According to information and explanations given to us, during the prior years the Company has given advances which are in the nature of unsecured loans to a Company listed in the Register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance of the same was Rs.130.63 Lacs .As informed to us no interest is levied on such advance and hence in our opinion the same is *prima facie* prejudicial to the interest of the Company.
 - (ii) According to information and explanation given to us, the repayment of the principal amount is not regular.
 - (iii) We have been informed that the Company is in the process of initiating reasonable steps to recover the overdue amount.
 - (iv) In our opinion and according to the information and explanations given to us, the internal control procedures are to be strengthened to commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods. According to information and explanations given to us, there is no continuing failure to correct major weaknesses in the system.
 - (v) According to the information and explanations given to us, during the year under audit, the transactions that need to be entered in the Registers pursuant to Sec 301 of the Companies Act, 1956 have been so entered and transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public during the year under review.
- (vii) In our opinion ,the internal audit system of the Company need to be strengthened to make it commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies act, 1956 for the Company.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, and Excise Duty applicable to it. The arrears of outstanding statutory dues as at 30.09.11 for a period more than six months from the date they became payable are given below:

	Rs.
Income Tax	15,99,914/-
Excise Duty	2,809,259/-

- (b) According to the information and explanation given to us and as per the records of the Company examined by us, there are no disputed amounts of sales tax, income tax, excise duty, service tax, customs duty as at September 30, 2011which have not been deposited on account of pending dispute.
- (x) The accumulated losses at the end of the financial year is less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year under review and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year under review. There are no dues to financial institutions/debenture holders.
- (xii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a *nidhi*/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, there were no transactions and contracts in respect of dealing or trading in shares, securities and other investments. Investments have been held by Company in its own name.
- (xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanation given to us, the term loan taken by the Company during the year was applied for the purpose the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, during the year under audit, we report that the funds raised on short term basis have not been used for long term investment. No long term funds have been used to finance short term assets.

- (xviii) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties covered in the Register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, Company has not issued debentures.
- (xx) During the year under review, the Company has not raised money by public issue.
- (xi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Ishwar & Gopal
Chartered Accountant

Date: 17.11.2011

Place: Bangalore.

K V Gopalakrishnayya

Partner.

Membership Number 021748

Firm Registration No.001154S

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

BALANCE SHEET FOR THE YEAR ENDED 30th SEPTEMBER 2011

Amount in Rupees

PARTICULARS	SCHEDULE No	As at 30.9.2011	As at 30.9.2010
SOURCES OF FUNDS			
Share Holder's Funds			
Share Capital	1	368,813,320	159,555,820
Share Warrants		86,200,965	29,211,000
Reserves & Surplus	2	403,038,763	242,157,224
Loan Funds			
Secured Loan	3	1,629,545	0
Unsecured Loan		0	0
	GRAND TOTAL	859,682,593	430,924,044
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	45,031,569	39,457,468
Less Depreciation		28,477,866	26,922,096
Net Block		16,553,704	12,535,373
Capital Work in progress (including Capital Advances)		182,065,747	0
Investments at Cost	5	45,249,584	350,000
Current Assets Loans & Advances			
Inventories			
Sundry Debtors	6	422,268,941	311,417,588
Cash and Bank Balance	7	94,041,157	10,838,263
Loans and Advances	8	185,986,571	114,617,467
		702,296,669	436,873,318
Current Liabilities & Provisions			
Current Liabilities	9	335,700,705	281,914,273
Provisions	10	2,945,314	1,201,904
		338,646,019	283,116,177
Net Current Assets		363,650,650	153,757,141
Profit & Loss Account		252,162,908	264,281,530
	GRAND TOTAL	859,682,593	430,924,044

Significant Accounting Policies & Notes to Accounts 17

The Schedules referred to above form an integral part of the Balance Sheet

As per our Audit Report of Even Date
for Ishwar & Gopal
Chartered Accountants

for and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
M No 21748
Firm Registration No 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

Place: Bangalore
Date: 17th November 2011

CEREBRA INTEGRATED TECHNOLOGIES LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 2011**

Amount in Rupees

PARTICULARS	SCHEDULE No	As at 30.9.2011	As at 30.9.2010
INCOME			
Sales and Services	11	707,719,013	588,808,535
Other Income	12	19,306,974	8,458,654
TOTAL		727,025,987	597,267,189
EXPENDITURE			
Cost of Materials	13	689,316,106	565,924,569
Operating and Administration Expenses	14	18,026,954	15,640,011
Marketing Expenses	15	1,662,937	249,660
Interest and Financial Charges	16	386,544	248,640
Depreciation		1,555,770	1,588,627
TOTAL		710,948,311	583,651,507
Profit Before Extraordinary Items		16,077,676	13,615,681
Profit/(Loss) Before Taxation		16,077,676	13,615,681
Provision for Current Tax (net) (including Rs. 2368173 (Rs.Nil) pertaining to previous year)		1,260,469	2,524,347
Profit after taxation		14,817,207	11,091,334
Prior year expenses		1,717,725	0
Transitional Adjustment - Gratuity / Leave Salary		980,860	0
Profit/(Loss) brought forward from previous year		(264,281,530)	(275,372,864)
Profit/(Loss) carried forward to Balance Sheet		(252,162,908)	(264,281,530)
Weighted average number of equity shares of face value of Rs. 10 each			
-Basic		23,350,424	15,472,267
-Diluted		31,970,520	19,218,021
Earnings per share [Equity shares, par value Rs.10 each]		0.52	0.72
-Basic		0.38	0.58
-Diluted			
Significant Accounting Policies & Notes to Accounts	17		
The Schedules referred to above form an integral part of the Balance Sheet			

As per our Audit Report of Even Date
for Ishwar & Gopal
Chartered Accountants

for and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
M No 21748
Firm Registration No 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

Place: Bangalore
Date: 17th November 2011

SCHEDULE TO BALANCE SHEET AS AT 30th September 2011

Particulars	Schedule No.	30.9.2011 Rs.	30.9.2010 Rs.
SHARE CAPITAL	1		
Authorised Capital			
5,00,00,000 (4,50,00,000) Equity Shares of Rs 10/-each		500,000,000	450,000,000
Issued & Subscribed & Paid Up			
36871182 (15945432) Equity Shares of Rs. 10/- each		368,711,820	159,454,320
fully paid up			
Add : Forfeited Shares (amount orginally paid on 20300 shares @ Rs. 5/- each)		101,500	101,500
Out of the above:			
a. 1317400 (1317400) Equity Shares of Rs 10 each have been allotted as fully Paid bonus Shares by capitalisation of Profits of the previous years.			
b. 92,16,153 (16,153) Equity Shares of Rs 10 each have been allotted as fully paid-up persuant to a contract without payment being received in cash.			
		368,813,320	159,555,820
RESERVES AND SURPLUS	2		
Capital Reserve (As per last balance sheet)		1,143,412	1,143,412
Securities Premium Account			
As per last balance sheet		241,013,812	241,013,812
Add: Receipt during the year		175,557,440	0
Less: Issue expenses debited		14,675,901	0
Closing Balance		401,895,351	241,013,812
	Total	403,038,763	242,157,224
Secured Loans	3		
Term Loan from a Bank		1,629,545	0
[Secured by hypothecation of vehicles]			
[Instalments payable within a year Rs. 2.47 Lakhs [Rs. Nil]]		1,629,545	0

SCHEDULE TO BALANCE SHEET AS AT 30TH SEPTEMBER 2011**SCHEDULE 4****FIXED ASSETS**

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION RESERVE			NET BLOCK	
		As at 1.1.10	Additions	Deletions	As at 30.09.2011	As at 1.10.2010	for the year	Deletions	As on 30.09.2011
1	Land	200,900	-	-	200,900	-	-	-	200,900
2	Building	4,638,187	-	-	4,638,187	1,476,719	154,915	-	3,006,552
3	Plant & Machinery	23,053,619	2,148,989	-	5,202,608	14,290,225	1,099,974	-	15,390,199
4	Computer including Software	8,184,413	812,218	-	8,996,631	8,184,413	48,879	-	8,233,292
5	Electrical Installation	396,405	404,296	-	800,701	168,635	16,521	-	185,157
6	Furniture & Fixtures	2,515,775	-	-	2,515,775	2,361,169	96,450	-	2,457,619
7	Vehicles	468,168	2,208,598	-	2,676,766	440,934	139,031	-	579,965
	TOTAL	39,457,468	5,574,101	-	45,031,569	26,922,096	1,565,770	-	28,477,866
	Previous year	45,868,460	213,239	6,624,231	39,457,468	26,025,829	1,588,628	692,360	26,922,096
									12,535,371

SCHEDULE TO BALANCE SHEET AS AT 30th September 2011

Particulars	Schedule No.	30.9.2011 Rs.	30.9.2010 Rs.
INVESTMENTS	5		
1. Investment in Subsidiary Companies			
Cerebra LPO India Limited, (unquoted)			
35000 (35000) Equity Shares of Rs.10/- Each		350,000	350,000
Geeta Monitors Private Limited, (unquoted)			
25,49,975 (Nil) Equity Shares of face value Rs. 10/- each		42,839,580	0
Cerebra Middle East FZCO		1,100,793	-
9 Shares of par value AED10.000 each		44,290,373	350,000
2. Other Investments			
a. Investment in Listed Companies -Trade, Quoted			
200 Equity shares of Rs 10/ each Sankya Infotech Ltd		2,000	2,000
Less : Provision for Diminition in Investments		2,000	2,000
b. Investment in Mutual Funds			
LIC MF Savings Plus Fund		251,649	-
25,135.226 units of Rs. 10.0118 each			
Reliance Liquid Fund		283,864	-
18,568.518 units of Rs. 15.2874			
UTI Money Market Mutual Fund		423,698	-
4,22.268 units of Rs. 10.03 each			
		959,211	-
Net Asset Value - Rs. 959211 (Rs. Nil)			
	Total	45,249,584	350,000
SUNDRY DEBTORS	6		
(Unsecured and Considered Good)			
Outstanding for a period exceeding six months			
Considered Good		47,907,941	38,972,553
Considered Doubtful		18,036,458	36,408,875
	Sub Total	65,944,399	75,381,428
Less: Provision for bad and doubtful debts		18,036,458	36,408,875
	Sub Total	47,907,941	38,972,553
Others		374,361,000	272,445,035
	Total	422,268,941	311,417,588
CASH AND BANK BALANCES	7		
Cash on Hand		2,570,913	963,623
Balances with Scheduled Banks			
In Current Accounts		5,784,233	420,071
In Deposit Accounts		85,686,011	9,454,569
[Pledged with bank Rs. 71.03 Lakhs (Rs. 71.03 Lakhs)]			
		94,041,157	10,838,263

SCHEDULE TO BALANCE SHEET AS AT 30th September 2011

Particulars	Schedule No.	30.9.2011 Rs.	30.09.2010 Rs.
LOANS AND ADVANCES	8		
Unsecured and Considered good, unless otherwise stated			
Advances recoverable in Cash or Kind for the value to be received			
Considered Good		134,880,105	102100085
Considered Doubtful		12,113,697	12,113,697
	Sub Total	146,993,802	114,213,782
Less: Provision for doubtful advances		12,113,697	12,113,697
	Total i	134,880,105	102,100,085
Advance to Subsidiaries		47,444,151	11,281,472
Balances with Central Excise		598,145	24,115
Deposits		3,064,170	1,211,795
	Total ii	51,106,466	12,517,382
	TOTAL (i+ii)	185,986,571	114,617,467
CURRENT LIABILITIES	9		
Sundry Creditors			
Dues to Micro, Small and Medium Enterprises		0	0
Dues to other than Micro, Small and Medium Enterprises		323,675,640	274,208,089
Advance from Customers		1,142,732	2,245,623
Due to Directors		847,714	1,086,472
Other Liabilities		10,034,620	4,374,088
		335,700,705	281,914,273
PROVISIONS	10		
Provision for Leave Salary		227,063	0
Provision for Gratuity		1,118,337	0
Provision for taxation		1,599,914	1,201,904
		2,945,314	1,201,904
SALES AND SERVICES	11		
Hardware-Traded items		702,793,302	573,181,655
I T Services		4,614,136	7,286,063
Other Services		311,575	8,340,817
		707,719,013	588,808,535
OTHER INCOME	12		
Interest Income [Gross]		4,340,571	734,439
(Tax Deducted at Source Rs. 491,075 (Previous Year Rs. 71,002)			
Dividend Income		959,211	0
Excess Provision Withdrawn		1,296,239	0
Foreign Exchange Fluctuation		608,044	0
Miscellaneous income		293,569	1,101
Sales Commission		11,809,340	7,723,114
		19,306,974	8,458,654

SCHEDULE TO BALANCE SHEET AS AT 30th September 2011

Particulars	Schedule No.	30.9.2011 Rs.	30.09.2010 Rs.
MATERIALS	13		
Trade Goods		689,274,621	565,916,117
Consumables		41,485	8,452
	TOTAL	689,316,106	565,924,569
OPERATING AND ADMINISTRATION EXPENSES	14		
Power and Fuel		204,808	173,057
Freight Charges		254,994	44,173
Salaries Wages and Bonus		7,376,968	4,415,112
Contribution to PF & Other Funds		407,763	221,118
Staff Welfare Expenses		81,880	36,203
Insurance		106,495	13,323
Repairs & Maintenance - Machinery		238,464	0
Repairs & Maintenance - Others		45,972	12,670
Rent		319,212	300,000
Rates & Taxes		983,448	1,519,736
Travelling & Conveyance Expenses		1,144,771	1,246,567
Printing & Stationery		153,018	112,509
Telephone Charges		169,544	260,229
Auditors Remuneration		179,617	148,550
Labour Charges		572,340	4,969,958
Professional charges		4,837,074	1,128,733
Others		950,586	1,038,074
	Total	18,026,954	15,640,011
MARKETING EXPENSES	15		
Sales Commission		0	191,353
Advertisement & Business Promotion		1,662,937	58,307
	Total	1,662,937	249,660
INTEREST AND FINANCE CHARGES	16		
Interest on Fixed Loan		89,166	0
Other Financial Charges		297,378	248,640
	Total	386,544	248,640

Schedule 17: Significant Accounting Policies and Notes to Accounts

Significant Accounting Policies

1. Basis of Preparation of Financial Statements :

The financial statements have been prepared on a going concern basis under historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standards as specified in Companies (Accounting Standards)Rule 2006 prescribed by the Central Government. The accounting policies have been

consistently applied by the Company and are consistent with those used in the previous year except as stated hereunder.

2. Changes in Accounting Policy:

During the year under review provision for accrued gratuity and leave salary was made based on an actuarial valuation as required under Accounting Standard (AS-15) Accounting of Retirement Benefits which was not made during the prior years. The provision relating to prior years is debited to Transitional Adjustment account.

3. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of the contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revisions to accounting estimates is recognized prospectively in current and future periods.

4. Fixed Assets:

Fixed Assets are stated at cost including expenses directly related to their acquisition and installation allocable to respective assets.

5. Depreciation:

Depreciation has been provided on assets on straight line method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 .Depreciation on additions/deletions during the year has been provided for on pro-rata basis .Assets purchased /installed during the year costing less than Rs.5000/-each are fully depreciated.

6. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value. Long term investments are stated at cost, less provision for other than temporary diminution in value.

7. Employee Benefits:

- a Short term employee benefits: All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.
- b Gratuity: The Company provides for Gratuity, a defined benefit retirement plan (Gratuity Plan) covering eligible employees. In accordance with the Payment of Gratuity Act,1972,the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Company makes necessary and adequate provisions in the books of accounts. The consequent actuarial gain or loss is expenses in the period of accrual of gain or loss.
- c The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

8. Revenue Recognition:

- a Sales include applicable excise duty but exclude Sales tax. Income from sales is recognized upon completion of sale. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.

- b Income from IT services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

9. Inventory :

Inventories are valued at lower of cost (FIFO basis) or net realizable value.

10. Foreign Exchange Transactions:

Foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction. Adjustments are made for any variations in the sale proceeds or import payments on conversion into Indian Currency upon actual receipt/payment. Exchange differences arising on foreign currency transactions are recognized as income or expense, Capitalized depending on the nature of transactions, in the year in which they arise.

11. Provision for Current Tax and Deferred Income Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred Tax resulting from timing difference between book profit and taxable profit is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent there is a reasonable certainty that the asset will be realized in future.

12. Impairment of Assets

At each Balance Sheet date the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

13. Earnings per share

Basic Earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. Provisions ,Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined as best estimates required to settle the obligation at the Balance Sheet date.

Contingent Liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle that obligation;
- b present obligation when no reliable estimate is possible; and
- c possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are not recognized in the financial statements.

NOTES TO ACCOUNTS

1. Estimated amount of Contracts remaining to be executed on Capital Account and not provided: for Rs.1046.50 Lakhs (Previous Year Rs. Nil)
2. Contingent Liabilities in respect of
 - a Counter Guarantees given to the bankers for guarantees issued Rs.71.03 lakhs (Previous Year Rs.71.03.lacs)
 - b Disputed demand for Sales tax matters Rs. Nil (Previous year Rs.9.24 lakhs)
3. **Auditor's Remuneration**

(Rs. in Lakhs)

Sl.No.	Particulars	30.09.2011	30.09.2010
1.	Statutory Audit	1.00	0.50
2.	Tax Audit	0.50	0.50
3.	Certification	0.25	0.45
4.	Reimbursement of expenses	0.05	0.04
	Total	1.80	1.49

4. Loans & Advances include Rs 130.63 Lakhs (Rs. 130.63.lakhs) due from Kranion Technologies Pvt Ltd, a company under the same management. Maximum amount outstanding at any time during the year Rs 130.63 lakhs (Rs. 130.63 Lakhs). Out of the above provision has been made for 121.14 Lakhs (Rs. 121.14 Lakhs) .

5 Directors Remuneration : (Rs. in lakhs)

	30.09.2011	30.09.2010
Salary	18.80	9.17
Contribution to Provident Fund	4.90	0.63
Total	23.70	9.80

6. Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.
7. During the year, 1,26,50,000 (Previous Year 86,55,000)) warrants were allotted at a price of Rs 28.54 (Previous Year Rs 10) per share on preferential basis, convertible into equity shares of Rs.10/- each. As at the end of the financial year 1,30,23,000 (Previous Year 86,55,000) warrants are pending for conversion.

8 Due to Micro , small & medium enterprises

As per the records maintained by the company there are no dues to the Micro , small & medium enterprises as on the date of balance sheet.

9 Employee Benefits

Short term employee benefits such as salary, allowances and bonus are accounted on accrual basis of accounting and based upon the laws applicable. Termination benefits (Gratuity) is provided on the basis of actuarial valuation. The actuarial gain or loss is considered in the Profit and Loss Account of the period in which it accrues. As the provision for gratuity and leave salary was not made during the previous year, provision pertaining to the previous year amounting to Rs.9.80 Lakhs is debited to transitional adjustment account.

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10. Gratuity

Change in present value of obligation:

Particulars	Amount in Rs 30.9.2011
Present value of obligation as at the beginning of the period	1118337
Acquisition Adjustment	Nil
Interest Cost	Nil
Past Service Cost	Nil
Current Service Cost	1118337
Curtailment Cost	Nil
Settlement Cost	Nil
Benefits Paid	Nil
Actuarial (gain)/loss on obligation	Nil
Present Value of Obligation as at the end of period (30 th September 2011)	1118337
Change in the fair value of plan assets:	

The company does not have any Gratuity Fund and in view of this and other external and internal factors, estimates of the amount of funding for the ensuing year are not determinable.

b. Leave Salary:

Leave salary is provided based on actuarial valuation obtained from an actuary.

The amounts to be recognized in balance sheet:

Particulars	Amount in Rs 30.9.2011
Present Value of obligation as at the end of the period	227063
Fair Value of plan assets as at the end of the period	Nil
Funded Status	(227063)
Excess of actual over estimated	Nil
Unrecognized actuarial (gains) / losses	Nil
Net Asset/(Liability) recognized in balance sheet	(227063)

Expense recognized in the statement of profit and loss:

Particulars	Amount in Rs 30.9.2011
Current Service Cost	1118337
Past Service Cost	Nil
Interest Cost	Nil
Expected return on plan assets	Nil
Curtailment cost	Nil
Settlement cost	Nil
Net actuarial (gain) / loss recognized in the period	Nil
Expenses recognized in the statement of profit and loss under employee costs	1118337

Economic Assumptions:

Particulars	Percentage
Discounting Rate	8.35%
Salary Escalation Rate	7.00%

Demographic Assumptions:

Retirement Age	58 years
Mortality Table	LIC (1994-96) duly modified
Withdrawal Rates	Ages
Age	Upto 30 years
	From 31 to 44 years
	Above 44 years

11 Quantitative and Other Particulars

- a. The company is Primarily engaged in Manufacturing, Trading of Computer Systems, Peripherals and I T Services.
 - b. Quantitative Particulars of Sales, stock and purchases.

Sl. No	Particulars	30.09.2011		30.09.2010	
		Qty in Nos	Value in	Qty in Nos	Value in
1.	Sales				
	A) Manufactured Items	NIL	NIL	NIL	NIL
	B) Traded items-				
2.	Hardware and software	2833	7077.19	14943	5888.08
	Opening and closing stock				
	Opening Stock	NIL	NIL	NIL	NIL
3.	Closing Stock	Nil	Nil	Nil	Nil
	Purchase of Trade Goods	2833	6893.16	14943	5659.24

4 Value of Imports on CIF Basis

Raw Materials – Rs. 0.78 Lakhs (Nil)
Machinery – Rs. 100.29 Lakhs (Nil)

5 Earnings in Foreign Exchange

Export Sales- Software Rs.1.2 Lakhs (Rs. Nil)
Export Sales -Hardware Rs. Nil (Rs. 0.96 lakhs)

6. Expenditure in Foreign Currency:

Foreign Travel 2.41 Lakhs (Rs.1.81 Lakhs)
 Others 1.59 Lakhs (Nil)

2.1 Segment wise business Performance

Rs. in Lakhs

Particulars	For the Year Ended 30.09.2011	For the Year Ended 30.09.2010
Primary Segment reporting by business segment		
(a). Primary segment reporting by Business Segment		
I Segment Revenue		
a. Hardware	7,073.76	5815.22
b. Software	3.43	221.58
	Total	7,077.19
		6036.80
II Segment Result		
Profit.(loss) before tax and interest		
a. Hardware	171.13	132.64
b. Software	(52.48)	25.85
	Total	118.65
		158.46
Less: Interest and other Financial Charges	2.97	1.53
Unallocated Expenses (Net off unallocated income)	2.94	2.58
Profit before tax	118.61	154.35

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III SEGMENT ASSETS			
a. Hardware	8,437.47	4,309.92	
b. Software	167.33	141.51	
	Total	8,604.80	4,451.43
IV SEGMENT LIABILITIES			
a. Hardware	25.37	2,847.21	
b. Software	56.12	130.35	
	Total	81.50	2,977.56
V. CAPITAL EXPENDITURE			
a. Hardware	54.39	0.54	
b. Software	1.35	64.06	
	Total	55.74	64.60
VI DEPRECIATION			
a. Hardware	14.47	15.89	
b. Software	1.08	13.42	
	Total	15.56	29.31
(b) Secondary segment reporting by geographical segment			
i) Segment wise revenue			
Revenue from Customers outside India	111.14	51.08	
Revenue from Customers within India	7,159.12	5,985.72	
	Total	7,270.26	6,036.80
ii) Segment wise Assets			
India	424.14	4,451.43	
Outside India	-	0	
	Total	424.14	4,451.53

2.12 Related Party Disclosure

- a. As per the Accounting Standard – 18 (AS-18) – Related Party Disclosures, as notified by the Rules, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below

Name of the Party	Nature of relationship
Cerebra LPO India Limited	Subsidiary Company
Cerebra Middle East FZCO	Subsidiary Company (incorporated on 5 th April 2011)
Geeta Monitors Private Limited	Subsidiary Company (effective from 03.08.2011)
Kranian Technologies Private Limited	Associate Company
V Ranganathan	Managing Director
Gururaja K Upadhy	Director Technical
P Vishwamurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director
P Bharath	Relative of a Director and Managing Director of Kranian Technologies Private Limited

Rs. in Lakhs

Particulars	30.09.2011	30.09.2010
b. The Company has the following transactions with related parties		
i. Cerebra LPO India Limited		
Advance Paid	219.37	112.81
- Balance Receivable	177.04	112.81
- Sale of Fixed Asset	Nil	59.32
ii. Cerebra Middle East FZCO		
Advance Paid	71.00	0.00
- Balance Receivable	71.00	0.00
- Reimbursement of Expenses		0.00
- Payment of share capital	11.00	0.00
iii. Geeta Monitors Private Limited		
Balance Payable	4.81	0.00
- Balance Receivable	226.39	0.00
- Sale of goods	48.15	0.00
- Investment	428.39	0.00
iv. Kranion Technologies Private Limited		
Receivable	130.63	130.63
Advance Paid	0.00	7.49
v. V Ranganathan		
Remuneration Paid	5.04	2.45
Advance Received	33.31	0.00
Balance Payable	10.61	1.93
vi. Gururaja K Upadya		
Remuneration Paid	5.04	2.45
Advance Received	21.00	0.00
Balance Payable	21.98	3.80
vii. P Vishwamurthy		
Remuneration Paid	5.04	2.45
Advance Received	21.00	0.00
Balance Payable	3.67	3.45
viii. Shridhar S Hegde		
Remuneration Paid	5.04	2.45
Advance Received	18.50	26.00
Balance Payable	6.09	0.24

2.13 Earnings per share

Earnings per share is calculated based on the following,

Sl. No.	Particulars	30.09.2011	30.09.2010
1.	Profit after tax considered for calculation of basic and diluted earnings per share	12118622	11091334
2.	Weight average no of equity shares considered for calculation of basic earnings per share	23350424	15472267
3.	Weighted average number of equity shares considered for diluted earnings per shares	31970520	19218021
4.	Earnings per share – Basic	0.52	0.72
5.	Earnings per share – Diluted	0.38	0.58

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2.14. Deferred Tax.

Deferred tax assets are not recognized as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.15 Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per our Audit Report of Even Date
for Ishwar & Gopal
Chartered Accountants

for and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
M No 21748
Firm Registration No 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Wholetime Director

Place: Bangalore
Date: 17th November 2011

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th SEPTEMBER 2011

	Amount in Rupees	
Particulars	Year ended 30.9.2011	Year ended 30.9.2010
A. Net profit/(loss) before taxes and extra-ordinary items	16,077,676	13,615,681
Adjustments for		
Depreciation	1,555,770	1,588,627
Interest expenditure	386,544	248,640
Interest Income	(4,340,571)	(734,439)
Transitional Adjustment - Gratuity / Leave Salary		(980,860)
Dividend Income	(959,211)	-
Prior year adjustment	(1,717,725)	-
Operating profit/(loss) before working capital changes	10,021,623	14,718,509
B. Changes in current assets & current liabilities:		
Decrease/(Increase) in Inventories	(110,851,353)	26,120,426
Decrease/(Increase) in Sundry debtors	(71,369,104)	(68,965,659)
Decrease/(Increase) in Loans & Advances	53,786,432	(6,056,355)
Increase/(decrease) in Current Liabilities		
Cash Inflow/(outflow) from operations	(118,412,402)	(34,183,079)
Income Tax	482,941	(2,524,347)
Net cash Inflow/(Outflow) before extraordinary items	(117,929,462)	(36,707,426)
Net cash Inflow/(Outflow) from operating activities	(117,929,462)	(36,707,426)
C. Cash Flows from Investing Activities:		
Interest Income	4,340,571	734,439
Dividend Income	959,211	-
Purchase of Fixed assets including capital work in progress	(187,639,848)	(213,239)
Sale of fixed assets	-	5,931,874
Purchase of Investments	(44,899,584)	-
Net cash Inflow/(outflow) from Investing activities	(227,239,649)	6,453,074
D. Cash flows from Financing Activities:		
Proceeds from Issue of Shares	209,257,500	32,382,499
Share application money received	56,989,965	-
Share Premium Received	175,557,440	-
Issue Expenses	(14,675,901)	-
Short term borrowings	1,629,544	-
Interest paid	(386,544)	(248,640)
Net Cash Inflow/(outflow) from Financing Activities	428,372,005	32,133,859
Net Increase/(Decrease) in Cash & Cash Equivalents	83,202,894	1,879,508
Cash & Cash Equivalents as at beginning of the year	10,838,263	8,958,755
Cash & Cash Equivalents as at end of the year	94,041,157	10,838,263
Net Increase/(Decrease) in Cash & Cash Equivalents	83,202,894	1,879,508

As per our Report attached

For Ishwar & Gopal,
Chartered Accountants

K V Gopalakrishnayya

Partner

M No 21748

Firm Registration No 001154S

Place: Bangalore

Date: 17th November 2011

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors
Cerebra Integrated Technologies Private Limited
Bangalore

1. We have audited the attached Consolidated Balance Sheet of Cerebra Integrated Technologies Private Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 30th September 2011, and the Consolidated Profit and Loss account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of Cerebra Middle East FZCO which was incorporated on 5th April 2011 and not completed first financial year since incorporation. The particulars of this subsidiary for the purpose of consolidation is based on the unaudited reviewed accounts. The financial statement of this subsidiary reflect total assets of Rs75.65 lakhs as at 30.09.2 011, and Nil sales for the year ended as on that date.
4. We have also not audited the financial statements of Geeta Monitors Private Limited ,a Company which became subsidiary effective from 3rd August 2011. The particulars of this subsidiary for the purpose of consolidation is based on the unaudited reviewed accounts. The financial statement of this subsidiary reflect total assets of Rs. 2170.07 Lakhs as at 30.09.2 011 and Rs 909.20 Lakh sales during the period from 3rd August 2011 to 30th September 2011.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS)21, Consolidated Financial Statements as notified by the Companies (Accounting standard) Rules, 2006 as amended from time to time.
6. Based on our audit as aforesaid and on the other financial information and to the best of our information and according to the explanations given to us , we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India subject to *our inability to express an opinion on recoverability of long outstanding debtors/advances amounting to Rs 138.53 Lakhs;*
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 30th September 2011;
 - ii) in the case of the Consolidated Profit and Loss Account ,of the profit of the Group for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date subject.

For Ishwar & Gopal
Chartered Accountants

Date:17th November 2011
Place: Bangalore.

K. V .Gopalakrishnayya
Partner.
Membership Number 021748
Firm Registration No.001154S

CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30th September 2011

Amount in Rupees

Particulars	Schedule No.	30.9.2011 Rs.	30.9.2010 Rs.
SOURCES OF FUNDS			
Share Holder's Funds			
Share Capital	1	368,813,320	159,555,820
Share Warrants		86,200,965	29,211,000
Reserves & Surplus	2	421,942,373	242,157,224
Loan Funds			
Secured Loan	3	23,569,366	0
Unsecured Loan	4	9,915,934	0
Deferred Tax Liability		680,698	0
Minority Interest		27,903,067	334,875
	GRAND TOTAL	939,025,723	431,258,919
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		78,567,009	46,078,186
Less Depreciation		52,619,647	28,342,565
Net Block		25,947,361	17,735,621
Capital Work in progress (including Capital Advances)		182,065,747	
Deferred Tax Assets			
Investments at Cost	6	0	63,249
		965,881	0
Current Assets Loans & Advances			
Inventories	7	98,577,000	0
Sundry Debtors	8	546,502,464	318,650,954
Cash and Bank Balance	9	99,372,604	12,439,647
Loans and Advances	10	151,664,723	103,389,581
		896,116,790	434,480,182
Current Liabilities & Provisions			
Current Liabilities	11	408,661,222	283,668,385
Provisions	12	6,811,731	1,201,904
		415,472,953	284,870,289
Net Current Assets			
		480,643,838	149,609,893
Profit & Loss Account			
		249,402,895	263,850,156
	GRAND TOTAL	939,025,724	431,258,919

Significant Accounting Policies & Notes to Accounts 19

The Schedules referred to above form an integral part of the Balance Sheet

As per our Audit Report of Even Date
for Ishwar & Gopal

for and on behalf of the Board of Directors

Chartered Accountants

K V Gopalakrishnayya

Partner

M No 21748

Firm Registration No 001154S

Place: Bangalore

Date: 17th November 2011

V. Ranganathan

Managing Director

Shridhar S Hegde

Wholetime Director

CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 30th September 2011

Amount in Rupees

Particulars	Schedule No.	30.9.2011 Rs.	30.09.2010 Rs.
INCOME			
Sales and Services	13	817,303,766	611,403,083
Other Income	14	20,677,180	735,540
	TOTAL	837,980,946	612,138,623
EXPENDITURE			
Cost of Materials	15	769,955,615	565,924,569
Operating & Administrative Expenses	16	38,208,703	27,235,058
Marketing Expenses	17	2,563,652	346,255
Interest and Financial Charges	18	1,457,061	265,983
Depreciation	5	2,344,214	2,930,974
	TOTAL	814,529,244	596,702,839
Profit Before Extraordinary Items		23,451,702	15,435,784
Profit/(Loss) Before Taxation		23,451,702	15,435,784
Provision / (Credit) for			
Current Taxation (net) (including short provision of earlier years Rs. 23,68,173 (Rs. Nil))		3,906,976	2,851,655
Deferred Tax		88,136	(63,249)
Profit after taxation		19,456,589	12,647,378
Transitional Adjustment Gratuity / Leave Salary		1,201,251	0
Minority Interest		2,090,353	466,814
Prior year expenses		1,717,725	0
Profit/(Loss) brought forward from previous year		(263,850,156)	(276,030,720)
Profit/(Loss) carried forward to Balance Sheet		(249,402,895)	(263,850,156)
Weighted average number of equity shares of face value of Rs. 10 each			
-Basic		23,350,424	15,472,267
-Diluted		31,970,520	19,218,021
Earnings per share [Equity shares, par value Rs.10 each			
-Basic		0.62	0.79
-Diluted		0.45	0.63
Significant Accounting Policies & Notes to Accounts	19		
The Schedules referred to above form an integral part of the Balance Sheet			

As per our Audit Report of Even Date
for Ishwar & Gopal
Chartered Accountants

for and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
M No 21748
Firm Registration No 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Wholetime Director

Place: Bangalore
Date: 17th November 2011

CONSOLIDATED SCHEDULE TO BALANCE SHEET AS AT 30th September 2011

Amount in Rupees

Particulars	Schedule No.	30.9.2011 Rs.	30.9.2010 Rs.
SHARE CAPITAL	1		
Authorised Capital			
5,00,00,000 (4,50,00,000) Equity Shares of Rs 10/-each		500,000,000	450,000,000
Issued & Subscribed & Paid Up			
36871182 (15945432) Equity Shares of Rs. 10/- each fully paid up		368,711,820	159,454,320
Add Forfeited Shares (amount originally paid on 20300 shares @ Rs. 5/- each)		101,500	101,500
Out of the above:			
I. 1317400 Equity Shares of Rs 10 each have been allotted as fully Paid bonus Shares by capitalisation of Profits			
II. 92,16,153 (16,153) Equity Shares of Rs 10 each have been allotted as fully paid-up pursuant to a contract without payment being received in cash.			
		368,813,320	159,555,820
RESERVES AND SURPLUS	2		
Capital Reserve (As per last balance sheet)		1,143,412	1,143,412
Securities Premium Account			
As per last balance sheet		241,013,812	241,013,812
Add: Receipt during the year		192,886,220	0
Less: Issue expenses debited		14,675,901	0
Closing Balance		419,224,131	241,013,812
Capital Reserve (on consolidation)		1,586,943	
Foreign Currency Translation Reserve		(12,114)	
Total		421,942,373	242,157,224
Secured Loans	3		
Working capital from a bank		21,939,821	
[Secured by hypothecation of stock & book debts, personal guarantee of directors and deposit of title deeds of land belonging to a director of the subsidiary company]			
Term Loan from a Bank		1,629,545	0
[Secured by hypothecation of vehicles]			
[Instalments payable within a year Rs. 2.47 Lakhs [Rs. Nil]]		23,569,366	0
Unsecured Loans	4		
From Share Holders		399,689	0
From Others		9,516,245	0
Total		9,915,934	0
INVESTMENTS			
1. Investment in Subsidiary company			
Cerebra LPO India Limited, (unquoted)			
35000 Equity Shares of Rs.10/- Each		0	0
Geeta Monitors Private Limited, (unquoted)			
25,49,975 Equity Shares of face value Rs. 10/- each		0	0
Cerebra Middle East FZCO	6		
9 Shares of par value AED10.000 each			-
2. Other Investments			
200 Equity shares of Sankya Infotech Ltd of Rs. 10/- each fully paid (quoted)		- 2,000	
Less : Provision for Diminution in Investments		- 2,000	-
in Mutual Funds			
LIC MF Savings Plus Fund		251,649	
25,135.226 units of Rs. 10.0118 each			-

SCHEDULE TO BALANCE SHEET AS AT 30TH SEPTEMBER 2011
SCHEDULE 5
FIXED ASSETS CONSOLIDATED

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION RESERVE				NET BLOCK As on 01.10.2010		
		As at 1.10.10	Additions on acquisition	Deletions	As at 30.09.2011	As at 1.10.2010	for the year	Additions on acquisition	Deletions	As on 30.09.2011	As on 30.09.2011	
1.	Land	200,900	-	-	200,900	-	-	-	-	200,900	200,900	
2.	Building	4,638,187	-	-	4,638,187	1,476,719	154,915	-	-	1,631,634	3,006,553	
3.	Plant & Machinery	23,297,280	2,209,585	7,293,170	-	32,800,035	14,310,447	1,135,796	6,923,273	-	22,369,516	10,430,519
4.	Computer (including Software)	10,023,870	1,050,672	15,839,734	-	26,914,276	8,576,410	601,528	12,645,469	-	21,823,407	5,090,869
5.	Electrical Installation	2,257,918	404,296	-	2,662,214	452,425	70,559	-	-	522,984	2,139,230	
6.	Furniture & Fixtures	5,191,863	290,721	405,879	-	5,888,463	3,085,630	234,720	362,396	-	3,682,746	2,205,717
7.	Vehicles	468,168	2,208,598	927,156	-	3,603,922	440,934	146,693	760,171	-	1,347,798	2,256,124
8.	Leased Assets Lease Equipment	-	-	1,859,011	-	1,859,011	-	-	1,241,562	-	1,241,562	617,449
	TOTAL	46,078,186	6,163,872	26,322,950	-	78,567,009	28,342,565	2,344,211	21,932,871	-	52,619,647	25,947,361
	Previous year	46,259,057	6,433,360	-	6,624,231	46,078,186	26,103,948	2,930,973	-	692,357	28,342,565	17,735,620

CONSOLIDATED SCHEDULE TO BALANCE SHEET AS AT 30th September 2011

Particulars	Schedule No.	Amount in Rupees	
		30.09.2011 Rs.	30.09.2010 Rs.
Reliance Liquid Fund 18,568.518 units of Rs. 15.2874		283,864	-
UTI Money Market Mutual Fund 4,22,268 units of Rs. 10.03 each		423,698	-
Net Asset Value Rs. 959211 (Rs. Nil)		959,211	-
Investment in Companies - Listed [Non Trade, Quoted] Reliance Power			
10 Shares of face value of Rs. 10 each		6,670	-
Total Market Value of Investments Rs. 7675 (Rs. Nil)			
	Total	965,881	0
Inventories	7		
[Lower of cost or net realisable value]			
Trading Materials		98,577,000	0
		98,577,000	0
SUNDRY DEBTORS	8		
[Unsecured]			
Outstanding for a period exceeding six months			
Considered Good		58,264,484	40,973,399
Considered Doubtful		18,036,458	36,408,875
	Sub Total	76,300,942	77,382,274
Less: Provision for bad and doubtful debts		18,036,458	36,408,875
	Total i	58,264,485	40,973,399
Others		488,237,979	277,677,555
	Total ii	488,237,979	277,677,555
	TOTAL (i + ii)	546,502,464	318,650,954
CASH AND BANK BALANCES	9		
Cash on Hand		4,581,933	2,119,261
Balances with Scheduled Banks			
In Current Accounts		8,385,313	865,817
In Deposit Accounts		86,405,358	9,454,569
[Pledged with bank Rs. 71.03 Lakhs (Rs. 71.03 Lakhs)]			
		99,372,604	12,439,647
LOANS AND ADVANCES	10		
Unsecured and Considered good, unless otherwise stated			
Advances recoverable in Cash or Kind for the value to be received			
Considered Good		146,793,430	102,150,171
Considered Doubtful		12,113,697	12,113,697
		158,907,127	114,263,868
Less: Provision for doubtful advances		12,113,697	12,113,697
	Total i	146,793,430	102,150,171
Balances with Central Excise		629,241	24,115
Deposits		4,242,051	1,215,295
	Total ii	4,871,293	1,239,410
	TOTAL (i+ii)	151,664,723	103,389,581
CURRENT LIABILITIES	11		
Sundry Creditors			
Dues to Micro, Small and Medium Enterprises		390,865,348	274,419,040
Dues to other than Micro, Small and Medium Enterprises		1,149,507	2,245,623
Advance from Customers		847,714	1,086,472
Due to Directors		15,798,654	5,917,250
Other Liabilities			
		408,661,222	283,668,385

CONSOLIDATED SCHEDULE TO BALANCE SHEET AS AT 30th September 2011

Particulars	Schedule No.	Amount in Rupees	
		30.09.2011 Rs.	30.09.2010 Rs.
PROVISIONS	12		
Provision for Leave Salary		418,035	0
Provision for Gratuity		1,362,607	0
Provision for taxation		5,031,089	1,201,904
		6,811,731	1,201,904
SALES AND SERVICES	13		
Hardware-Traded items		787,346,068	573,085,999
I T Services		28,094,894	22,157,497
Other Services		1,862,804	16,159,587
		817,303,766	611,403,083
OTHER INCOME	14		
Interest Income [Gross]		4,522,999	734,439
Tax Deducted at Source Rs. 506614 (Rs. 71,002)			
Dividend Income		959,211	0
Excess Provision Withdrawn		1,296,239	0
Foreign Exchange Fluctuation		1,792,610	0
Miscellaneous income		296,781	1,101
Sales Commission		11,809,340	0
		20,677,180	735,540
MATERIALS	15		
Trade Goods		769,914,130	565,916,117
Consumables		41,485	8,452
		769,955,615	565,924,569
OPERATING & ADMIN EXPENSES	16		
Power and Fuel		438,510	306,700
Freight Charges		258,527	44,173
Salaries Wages and Bonus		18,713,689	11,713,987
Contribution to PF & Other Funds		777,292	221,118
Staff Welfare Expenses		289,426	36,203
Insurance		114,011	15,705
Repairs & Maintenance - Machinery		312,690	0
Repairs & Maintenance - Others		129,334	85,980
Rent		2,403,016	1,260,000
Rates & Taxes		1,193,764	1,533,436
Travelling & Conveyance Expenses		1,686,160	1,356,019
Printing & Stationery		184,984	123,706
Telephone Charges		751,701	625,576
Auditors Remuneration		271,268	176,125
Labour Charges		2,943,602	7,193,948
Professional charges		6,109,942	1,222,679
Others		1,630,786	1,319,703
	Total	38,208,703	27,235,058
MARKETING EXPENSES	17		
Sales Commission		853,589	287,948
Advertisement & Business Promotion		1,710,063	58,307
	Total	2,563,652	346,255
INTEREST AND FINANCE CHARGES	18		
Interest on Fixed Loan		1,050,214	0
Other Financial Charges		406,847	265,983
	Total	1,457,061	265,983

Schedule 19: Significant Accounting Policies and Notes to Accounts

1. Significant Accounting Policies to the Consolidated Accounts:

1.1 Basis of Preparation of Financial Statements :

The consolidated financial statements relate to Cerebra Integrated Technologies Limited ('the Company') and its wholly owned subsidiaries together refer to as 'Cerebra Group' or 'Group'. The Financial Statements of the group are prepared under historical cost convention, on accrual basis of accounting to comply in all material respects, with the mandatory Accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act'). The Accounting policies have been consistently applied, and the accounting policies not referred to otherwise, are in conformity with the Indian Generally Accepted Accounting Principles ('Indian GAAP').

The accounts of Indian subsidiaries have been prepared in compliance with the Accounting Standard as notified by the Companies (Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act') and those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable accounting standards. Necessary adjustments for differences in accounting policies, wherever applicable, have been made in the consolidated financial statements.

1.2 Changes in Accounting Policy:

During the year under review provision for accrued gratuity and leave salary was made based on an actuarial valuation as required under Accounting Standard (AS-15) Accounting of Retirement Benefits which was not made during the prior years. The provision relating to prior years is debited to Transitional Adjustment account.

1.3 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles(GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of the contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.4 Fixed Assets:

Fixed Assets are stated at cost including expenses directly related to their acquisition and installation allocable to respective assets.

1.5 Depreciation:

Depreciation has been provided on assets on straight line method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 .Depreciation on additions/deletions during the year has been provided for on pro-rata basis .Assets purchased /installed during the year costing less than Rs. 5000/-each are fully depreciated.

1.6 Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value.Long term investments are stated at cost, less provision for other than temporary diminution in value.

1.7 Employee Benefits:

- Short term employee benefits: All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.
- Gratuity: The Company provides for Gratuity, a defined benefit retirement plan (Gratuity Plan) covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Company makes necessary and adequate provisions in the books of accounts. The consequent actuarial gain or loss is expense in the period of accrual of gain or loss.

- c. The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

1.8 Revenue Recognition:

- a. Sales include applicable excise duty but exclude Sales tax. Income from sales is recognized upon completion of sale. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.
- b. Income from IT services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

1.9 Inventory :

Inventories are valued at lower of cost (FIFO basis) or net realizable value.

1.10 Foreign Exchange Transactions:

Foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction. Adjustments are made for any variations in the sale proceeds or import payments on conversion into Indian Currency upon actual receipt/payment. Exchange differences arising on foreign currency transactions are recognised as income or expense, Capitalized depending on the nature of transactions, in the year in which they arise.

The assets and liabilities of a foreign subsidiary whose operations are of non-integral nature are translated at the closing exchange rate, the items of income and expense of the said subsidiary is translated at average exchange rate and resulting exchange difference is classified as cumulative translation adjustment and debited/ credited to Foreign Currency Translation Reserve until the disposal of such operations.

1.11 Provision for Current Tax and Deferred Income Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred Tax resulting from timing difference between book profit and taxable profit is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent there is a reasonable certainty that the asset will be realized in future.

1.12 Impairment of Assets

At each Balance Sheet date the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.13 Earnings per share

Basic Earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.14 Goodwill / Capital Reserve on consolidation

Goodwill represents the difference between the Group's share in the net worth of a subsidiary and the cost of acquisition. For this purpose ,the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation represents negative goodwill arising on consolidation.

1.15 Provisions ,Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined as best estimates required to settle the obligation at the Balance Sheet date.

Contingent Liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle that obligation;
- A present obligation when no reliable estimate is possible; and
- A possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are not recognized in the financial statements.

2. Notes to Consolidate Accounts:

2.1 Principles of Consolidation:

The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.

The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

The enterprises considered in the consolidated financial statement are:

Name of Enterprises.	Country of Incorporation	Voting power held as at 30.09.2011 by the holding company	Voting power held as at 30.09.2010 by the holding company
Cerebra LPO India Limited	India	70%	70%
Cerebra Middle East FZCO(incorporated on 5 th April 2011)	Dubai	90%	-
Geeta Monitors Private Limited (effective from 3 rd August 2011)	India	51%	-

The contribution of the subsidiaries formed or acquired during the year is as follows:

Rs in lakhs

Name of the Subsidiary	Revenue (Post acquisition/ incorporation)	Net Profit or Loss (Post acquisition /incorporation)	Gross Assets
Cerebra Middle East FZCO	Nil	Loss 11.16	75.65
Geeta Monitors Private Limited	909.20	Profit 18.21	2170.07

2.2 Estimated amount of Contracts remaining to be executed on Capital Account and not provided: for Rs. 1046.50 Lakhs (Previous Year Rs. Nil)

2.3 Contingent Liabilities in respect of

- Counter Guarantees given to the bankers for guarantees issued Rs 71.03 lakhs Previous Year Rs.71.03.lacs)
- Disputed demand for Sales tax matters Rs Nil (Previous year Rs.9.24 lakhs)

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2.4 Auditor's Remuneration (Rs in Lakhs)

Sl. No.	Particulars	30.09.2011	30.09.2010
1	Statutory Audit	1.65	0.65
2	Tax Audit	0.65	0.60
3	Certification	0.25	0.45
4	Reimbursement of expenses	0.05	0.04
5	Service Tax	0.08	0.03
	Total	2.68	1.77

2.5 Loans & Advances include Rs 130.63 Lakhs (Rs. 130.63.lakhs) due from Kranion Technologies Pvt Ltd, a company under the same management. Maximum amount outstanding at any time during the year Rs 130.63 lakhs (Rs. 130.63 Lakhs). Out of the above provision has been made for 121.14 Lakhs (Rs. 121.14 Lakhs).

2.6 Directors Remuneration : (Rs. in lakhs)

	30.09.2011	30.09.2010
Salary	22.80	9.17
Contribution to Provident Fund	4.90	0.63
Total	27.70	9.80

2.7 Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.

2.8 During the year, 1,26,50,000 (Previous Year 86,55,000) warrants were allotted at a price of Rs 28.54 (Previous Year Rs 10) per share on preferential basis, convertible into equity shares of Rs.10/- each. As at the end of the financial year 1,30,23,000 (Previous Year 86,55,000) warrants are pending for conversion.

2.9 Due to Micro, small & medium enterprises

As per the records maintained by the company there are no dues to the Micro, small & medium enterprises as on the date of balance sheet.

2.10 Employee Benefits

Short term employee benefits such as salary, allowances and bonus are accounted on accrual basis of accounting and based upon the laws applicable. Termination benefits (Gratuity) is provided on the basis of actuarial valuation. The actuarial gain or loss is considered in the Profit and Loss Account of the period in which it accrues. As the provision for gratuity and leave salary was not made during the previous year, provision pertaining to the previous year amounting to Rs.12.01 Lakhs is debited to transitional adjustment account.

a. **Gratuity**

Change in present value of obligation:

Particulars	Amount in Rs 30.09.2011
Present value of obligation as at the beginning of the period	1362607
Acquisition Adjustment	Nil
Interest Cost	Nil
Past Service Cost	Nil
Current Service Cost	1362607
Curtailment Cost	Nil
Settlement Cost	Nil
Benefits Paid	Nil
Actuarial (gain)/loss on obligation	Nil
Present Value of Obligation as at the end of period (30 th September 2011)	1362607

Change in the fair value of plan assets:

The company does not have any Gratuity Fund and in view of this and other external and internal factors, estimates of the amount of funding for the ensuing year are not determinable.

b. Leave Salary:

Leave salary is provided based on actuarial valuation obtained from an actuary.

The amounts to be recognized in balance sheet:

Particulars	Amount in Rs 30.09.2011
Present Value of obligation as at the end of the period	418035
Fair Value of plan assets as at the end of the period	Nil
Funded Status	(418035)
Excess of actual over estimated	Nil
Unrecognized actuarial (gains) / losses	Nil
Net Asset/(Liability) recognized in balance sheet	(418035)

Expense recognized in the statement of profit and loss:

Particulars	Amount in Rs 30.09.2011
Current Service Cost	1362607
Past Service Cost	Nil
Interest Cost	Nil
Expected return on plan assets	Nil
Curtailment cost	Nil
Settlement cost	Nil
Net actuarial (gain) / loss recognized in the period	Nil
Expenses recognized in the statement of profit and loss under employee costs	1362607

Economic Assumptions:

Particulars	Percentage
Discounting Rate	8.35%
Salary Escalation Rate	7.00%

Demographic Assumptions:

Retirement Age	58 years
Mortality Table	LIC (1994-96) duly modified
Withdrawal Rates	Ages
Age	Up to 30 years
	From 31 to 44 years
	Above 44 years

2.11. Segment wise business Performance

Particulars	For the Year Ended 30.09.2011	Rs. in Lakhs For the Year Ended 30.09.2010
Primary Segment reporting by business segment		
a. Primary segment reporting by Business Segment		
I Segment Revenue		
a. Hardware	7975.82	5815.22
b. Software	245.37	221.58
Total	8221.20	6036.80
II Segment Result		
Profit.(loss) before tax and interest		
a. Hardware	27.67	132.64
b. Software	14.64	25.85
Total	42.32	158.46

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Less: Interest and other Financial Charges	14.57	1.53
Unallocated Expenses (Net off unallocated income)	206.77	2.58
Profit before tax	234.52	154.35

III SEGMENT ASSETS

a. Hardware	10594.37	4309.92
b. Software	444.93	141.51
Total	11039.30	4451.43

IV SEGMENT LIABILITIES

a. Hardware	3705.80	2847.21
b. Software	448.93	130.35
Total	4154.73	2977.56

V. CAPITAL EXPENDITURE

a. Hardware	322.26	0.54
b. Software	2.63	64.06
Total	324.89	64.60

VI DEPRECIATION

a. Hardware	17.65	15.89
b. Software	5.79	13.42
Total	23.44	29.31

b. Secondary segment reporting by geographical segment

i. Segment wise revenue		
Revenue from Customers outside India	111.14	51.08
Revenue from Customers within India	8061.90	5985.72
Total	8173.04	6036.80

ii. Segment wise Assets

India	10965.65	4451.43
Outside India	75.65	0
Total	11041.30	4451.53

2.12 Related Party Disclosure

- a. As per the Accounting Standard – 18 (AS-18) – Related Party Disclosures, as notified by the Rules, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below

Name of the Party	Nature of relationship
Kranion Technologies Private Limited	Associate Company
V Ranganathan	Managing Director
Gururaja K Upadhy	Director Technical
P VishwaMurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director
P Bharath	Relative of a Director and Managing Director of Kranian Technologies Private Limited
Ashok Arjundas	Whole Time Director of Geeta Monitors Private limited
Rashmi A Chhabria	Director of Geeta Monitors Private limited
AsithAhuja	Director of Cerebra Middle East FZCO

b. The Company has the following transactions with related parties

Rs. in Lakhs

Sl. No.	Particulars	2010-11	2009-10
i	Kranion Technologies Private Limited Receivable Advance Paid	130.63 0.00	130.63 7.49
ii.	V Ranganathan Remuneration Paid Advance Received Balance Payable	5.04 33.31 10.61	2.45 0.00 1.93
iii.	Gururaja K Upadhy Remuneration Paid Advance Received Balance Payable	5.04 21.00 21.98	2.45 0.00 3.80
iv.	P Vishwamurthy Remuneration Paid Advance Received Balance Payable	5.04 21.00 3.67	2.45 0.00 3.45
v.	Shridhar S Hegde Remuneration Paid Advance Received Balance Payable	5.04 18.50 6.09	2.45 26.00 0.24
vi.	Ashok Arjundas Remuneration Payable	7.00	0
vii.	Rashmi A Chhabria Remuneration Payable	5.00	0
viii.	AsithAhuja Prepaid Expenses	51.80	0

2.13. Earnings per share

Earnings per share is calculated based on the following

Sl. No.	Particulars	2010-11	2009-10
1.	Profit after tax considered for calculation of basic and diluted earnings per share	14447260	12180564
2.	Weight average no of equity shares considered for calculation of basic earnings per share	23350424	15472267
3.	Weighted average number of equity shares considered for diluted earnings per shares	31970520	19218021
4.	Earnings per share – Basic	0.62	0.79
5.	Earnings per share – Diluted	0.45	0.63

2.14. Deferred Tax

Deferred tax assets are recognized only in the case of Cerebra LPO India Limited and Geeta Monitors Private Limited. Deferred Tax Assets are not recognized in Cerebra Integrated Technologies Limited as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The computation of the same is as under:

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(Amount in Rs)

Particulars	As at 30th September 2011	As at 30th September 2010
Deferred Tax Liability on account Of difference in written down value of fixed assets	815188	(63249)
Deferred tax assets on account of temporary differences under Income Tax	134490	Nil
Net Deferred Tax Liabilities/ (Asset)	680698	(63,249)

2.15. Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date

For Ishwar&Gopal,
Chartered Accountants,

For and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
M No 21748
Firm Registration No 001154S

V Ranganathan
Managing Director

Shridhar S Hegde
Whole Time Director

Place: Bangalore
Date: 17.11.2011

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 30th September 2011

Particulars	Schedule No.	30.09.2011 Rs.	30.09.2010 Rs.	Amount in Rupees
A. Net profit/(loss) before taxes and extra-ordinary items		23,451,702	15,435,786	
Adjustments for				
Depreciation	2,344,214	2,930,974		
Interest expenditure		1,457,061	265,983	
Interest Income		(4,522,999)	(735,540)	
Dividend Income	(959,211)	-		
Minority Interest	25,477,839			
Prior year adjustment		(1,717,725)	-	
Transitional Adjustment - Gratuity / Leave Salary	(1,201,251)			
Foreign Currency Translation		(12,114)		
Bad debts written off				
Excess provisions withdrawn				
Operating profit/(loss) before working capital changes		44,317,516	17,897,203	
B. Changes in current assets & current liabilities:				
Decrease/(Increase) in Inventories		(98,577,000)		
Decrease/(Increase) in Sundry debtors		(227,851,510)	18,887,059	
Decrease/(Increase) in Loans & Advances		(48,275,142)	(69,019,245)	
Increase/(decrease) in Current Liabilities		124,992,833	6,072,072	
Cash Inflow/(outflow) from operations		(205,393,303)	(26,162,911)	
Income Tax		2,358,662	(2,851,655)	
Net cash Inflow/(Outflow) before extraordinary items		(203,034,641)	(29,014,566)	
Extraordinary Income				
Net cash Inflow/(Outflow) from operating activities		(203,034,641)	(29,014,566)	
C. Cash Flows from Investing Activities:				
Interest Income		4,522,999	735,540	
Dividend Income	959,211			
Purchase of Fixed assets including capital work in progress		(191,034,755)	(6,443,360)	
Sale of fixed assets	-		5,931,874	
Purchase of Investments		(965,881)		
Net cash Inflow/(outflow) from Investing activities		(186,518,425)	224,054	
D. Cash flows from Financing Activities:				
Proceeds from Issue of Shares		209,257,500	32,382,499	
Share application money received		56,989,965	-	
Share Premium Received		192,886,220	-	
Issue Expenses		(14,675,901)	-	
Short term borrowings		33,485,300	-	
Interest paid	(1,457,061)	(265,983)	-	
Net Cash Inflow/(outflow) from Financing Activities		476,486,023	32,116,516	
Net Increase/(Decrease) in Cash & Cash Equivalents		86,932,957	3,326,005	
Cash & Cash Equivalents as at beginning of the year		12,439,647	9,113,642	
Cash & Cash Equivalents as at end of the year		99,372,604	12,439,647	
Net Increase/(Decrease) in Cash & Cash Equivalents		86,932,957	3,326,005	

As per our Audit Report of Even Date
for Ishwar & Gopal
Chartered Accountants

for and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
M No 21748
Firm Registration No 001154S
Place: Bangalore
Date: 17th November 2011

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (As per Part-IV of Schedule VI to the Companies Act 1956)

I. Registration Details

Registration No. 08-15091 State Code 08
Balance Sheet Date 30.09.2011

II. Capital raised during the year (Amount in Rs. 000s)

Public Issue	Nil	Rights issue	Nil
Bonus Issue	Nil	Private Placement	209,258

III. Position of Mobilization and Deployment of Funds (Amount in 000s)

SOURCE OF FUNDS	Amount (Rs.)	APPLICATION OF FUNDS	Amount (Rs.)
Paid-up Capital	368,813	Net Fixed Assets	16,554
Share Application Money	86,201	Capital Work in Progress	182,066
Reserves & Surplus	403,039	Investments	45,250
Secured Loan	1,630	Net Current Assets	363,651
Unsecured Loan	-	Profit & Loss Account	252,163
Total Liabilities	859,683	Total Assets	859,683

IV. Performance of the Company (Amount in Rs. 000s)

Turnover	707,719	Profit/(Loss) after tax	14,817
Total Expenditure	710,948	Earning per share in Rs.	1
Profit/(Loss) before tax	16,078	Dividend Rate %	NIL

V. Generic Names of Three Principal Products / services of the Company (as per Monetary Terms) Item Code No. (ITC. Code) Product Description 8471 and 8473

Computer, Software, Peripherals, Network and related products

As per our Report of Even date

for and on behalf of Board

K V Gopalakrishnayya
Partner
M No 21748
Firm Registration No 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

Place: Bangalore
Date: 17th November 2011

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Regd Off.: #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

ATTENDANCE SLIP

Member/Proxy

Folio No.

Please tick whichever is applicable.

No. of Shares

Seventeenth Annual General Meeting on 17th December, 2011 at 11 a.m.

- A member / proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance
- If you intend to appoint a proxy please complete the proxy form and deposit it in the Company's registered office at least 48 hours before the meeting.
- I certify that I am registered shareholder / proxy for the registered share holder of the company.

I record my presence at the Seventeenth Annual General Meeting held on 17.12.2011

Name of the Member / Proxy Signature of the Member/Proxy in Block Letters



CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Regd Off.: # S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

PROXY FORM

I/We _____ of _____ in the

district of _____ being a member/members of the above name of Company

hereby appoint _____ of _____ in the district of

_____ or failing him _____ of _____

in the district of _____ as my / our proxy to vote for me/us on my/our behalf at

the Seventeenth Annual General Meeting of the company to be held on 17th December 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011

Affix Revenue Stamp



Cerebra Middle East FZCO located at DSO Building



Expanded Facility at the New Floor



Mobile Shredder



Shredding of the E-Waste

- 
- A large, stylized blue silhouette of a person is positioned in the upper left corner of the slide. The person appears to be sitting at a desk, facing a computer monitor, with their hands resting on the keyboard and mouse. The background behind the silhouette is white, while the rest of the slide has a dark blue diagonal gradient.
- ❖ Electronic Manufacturing Services
 - ❖ e-Waste Recycling Facility
 - ❖ Enterprise Mobility Solutions
 - ❖ IT-enabled Services

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Regd Off.: # S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

Ph.: 91-80-2837 0282/84 Fax : 2837 2609

Email: info@cerebracomputers.com, investors@cerebracomputers.com